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NEWS SUMMARY

GENERAL

Optimism add 8; on steel accord for tin with U.S.

The Reagan Administration Is "cantiously optimistic" that the U.S. and EEC can soon settle their row over cheap Enropean steel exports, U.S. officials said.

An EEC delegation arrived in Washington yesterday for more negotiations with U.S. Commerce Secretary Malcoim Baldrige,

The EEC is now said to be offering to cut its share of the U.S. market from 6.4 to 5.8 per cent, still marginally more than the U.S. wants. Back Page

Strongroom theft

Police said thieves who ransacked a Lloyds bank strongroom in London over the weekend might have got in by the front door. The amount taken was still not known.

DPP denial

The Director of Public Prosecu-tions denied threatening to resign if the head of the Countryman anti-police corrup-tion squad refused to say his investigation obstructed.

Sailing again

Sealink ferry saikings were almost back to normal after the seamen's union strike was called off, though differences in interpreting the peace formula could still jeopardise the deal. Page 8

Premier expelled Portuguese fournalists expelled

Premier Francisco Balsemao from their union in protest against his plans to close the loss-making national news

Eastern floods

Flash floods killed 14 north-east of Katmandu, Nepal, and others made hundreds homeless in Bangladesh. In Japan, thousands left home to avoid Typhoon Bess and the Tokyo-Osaka bullet trains were can-

Tax attacks

The Ombudsman upheld more complaints against the Inland Revenue than against any other government department in the quarter to end May. Page 6

Trooper chased

A British Rhine Army trooper was arrested in Bielefeld after taking an eight-ton armoured vebicle and being chased by police for 90 initutes.

Old boy network

The old boy network was one reason why women made up only 23.3 per cent of members on public bodies such as Royal Commissions, the Equal Oppor-unities Commission said. Page 6

Threat to goalie

West German goalkeeper Harald Schumacher, involved in a World Cup incident in which France's Patrick Battiston was concussed, has received several death threats while on tour in

Class divisions West Berlin trade unionist Dr Hermann Hartmut-Bade was fined £500 for uncoupling a first-class carriage on the Holybead London train to show "aristocratic" passengers how

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

BUSINESS

Equities big rise

No. 28.842

GILTS continued to improve on expectations of a further cut in hase rates, iT he FT Govern-ment Securities index added U.27 to 73.96. Page 23; Back Page and Lex

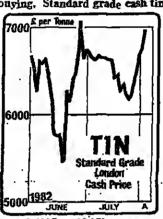
DEQUITIES followed gilts. The FT 30-share index gained 8.0 to 566.2. Page 23

DOLLAR traded nervously as the market tried to assess short-term U.S. interest rate trends. It rose to DM 2.439 (DM 2.435), SrFr 2.0725 (SwFr 2.066) and Y257.8 (Y256.5). Its trade-weighted index was unchanged at 119.9. Page 24

STERLING fell 25 points to \$1.7495. It was unchanged at DM 4.27, rose to SrFr 3.6275 (SwFr 3.62) and eased to FFr 11.87 (FFr 11.8825). Its trade-weighted index remained at 91.7. Page 24

● GOLD rose \$0.75 to \$350.75 in London. In New York the Comex August close was \$346.3 (\$353.75). Page 19

• TIN prices rose strongly in London, boosted by speculative buying. Standard grade cash tin



gained £227 to £6,970 a tonne, a rise of almost £800 in a week

 WALL STREET was down 2.00 tn 820.11 near the close.

U.S. MACHINE TOOL industry representatives are urging President Reagan to use his authority to deny investment tax credits to U.S. companies buying certain kinds machine tools from Japan.

 TURKEY plans to rationalise its banking system and try to consolidate dehts of large companies which are in trouble.

• INTERNATIONAL HAR VESTER, U.S. farm equipment maker, should be saved from bankruptcy if possible, Roger Anderson, chairman of Con-tinental Illinois, one of the company's higgest banks, said. Back Page; Continental Illinois sticks to its guns, Page 20

• ASSOCIATED DAIRIES is to close two of its Ukay furniture superstores in London. Page 6

· CARRON HOLDINGS, baths. sinks and pillar boxes manu-facturer, called in receivers in the face of mounting losses. Back Page

ANHEUSER-BUSCH, the largest brewer in the U.S. started merger talks with Camphell Taggart which could lead to a bid worth well over \$500m (£285.8m) for the U.S. bakery goods and refrigerated dough producer. Page 20

• TRICENTROL, UK oil group, is paying £25m for oil and gas properties in the U.S. in a deal with Coral Petroleum of Houston. Page 6

munications group, reported first half earnings down from \$318.2m to \$312.3m (£178.5m) on sales of \$11.1bn (\$11.3bn).

Chine demanded the return of tennis star Nu Ha, who has asked for asylum in the U.S.

Fire followed - **

**Company of the company of tennis star Nu Ha, who has asked for asylum in the U.S.

**Company of the company o

oil drilling rig 90 miles off from £4.27m to £3.78m for the Bombey. The crew escaped. year to May 29. Page 16

Merrydown Wine ... 173 + 24

Redland 180 +

Tarmac 328 + 8 Union Disconot 477 + 12

Unitech 282 + 12
Wagon Industrial 54 + 11
Wimpey (G.) 114 + 3
Anglo American Gold 234 + 13
Hartebeest 222 + 11
Libert 242

Libanon 940 + 55

H'kong & Sha'hai Bk. 93 - 4 Turner & Newati 32 - 11

FALLS:

No recovery signs as CBI reports drop in confidence and orders

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

recovery from the recession was confirmed yesterday by the Confederation of British Industry which reported that British business confidence and orders bave declined in the past four months.

"Industry has failed to get a foothuld on the first rung of the ladder to recovery," said Sir James Cleminson, chairman of the CBI's economic situation committee. He said the report was "as depressing as any we have produced."

The Government made it clear it did not intend to he pushed by the gloom into changing its policies. Ministers stressed that Interest rates lied been reduced since the survey took place last month.

"We have got to go on pur-suing the policies we are pursuing to achieve further proress," said Sir Geoffrey Howe. Chancellor of the Exchequer. He will come under attack from both sides of industry at a National Economic Develop-ment Council meeting today and at a private Treasury meeting with CBI leaders tomorrow.

The CBI is not sure whether

ing industry to move towards a nine to 12 mooths been regarded as the hottom of the of Commerce industrial commitrecession would be seen as a plateau.

There is some suspicion at the CBI that companies may have slightly over-reacted, when nonths.

answering the survey, to the Plans for new investment had shock of the low levels of orders been reduced and companies and output recorded in many factories during the second quarter of the year. If so, the surveys in October and January should show a levelling off, albeit probably at a lower level of activity.

But the CBI has trimmed

Details, Page 8 Dilemmas of joh subsidies, Page 15 Editorial Comment, Page 14

some of its forecasts and is predicting that in the coming months jobs will be shed at a rate of 19.000 a month instead of 15.000 and that the level of capital investment between mid-1982 and mid-1983 could decline instead of remaining static.

The decline in investment in- orders. tentions recorded in the survey —the first weakening for nearly two years—is causing special

bottom of the recession.

Alternatively, it could be the real and lasting damage to the increase in first sign of another slide; in UK industrial base," said Mr rates bills.

THE FAILURE of manufactur- that case what has for the past James Ackers, chairman of the Association of British Chambers tee which issued its own warning a fortnight ago.

Companies' confidence has been especially shaken by international developments. About half the companies in the CBI survey quoted political or economic conditions abroad as a big restraint to export orders.

Optimism about export prospects has declined, as has the volucie of export orders and deliveries, with no recovery to next four suggested,

Sir James, who is chairman of Reckitt and Colman, warned that there would be no dramfacturing industry until world trade improved. So the CBI did not want a major reflation from the Government.

But it did want new govern-ment initiatives on interest rates and other husiness costs to help British companies hecome more competitive abroad. Nearly 70 per cent of the companies surveyed had expected their export prices to affect their ability to obtain

Dlustrating the need for government action, Sir James said his company bad gained £250,000 from the Budget cut in National Insurance Surthe survey shows merely a downward dlp in what was already a bumpy ride along the bottom of the recession.

"We view with particular in National Insurance Survey shows merely a alarm the growing evidence that charge that came into force on investment plans are being Monday. But this was more trimmed, because this will do than eliminated by a £300,000 real and lasting damage to the increase in its local councils'

BR warns of reductions in passenger services

BY PHILIP BASSETT, LABOUR CORRESPONDENT

BRITISH RAIL gave notice full-scale stoppages over the yesterday of a possible 20 per cent cut in resources for its passenger services. It also disclosed that its group losses for 1982 could be between £240m and £280m after this year's warned consistently that the railway strikes. This compares strike effects would result in

with a loss of £37m in 1931. BR told its unions that, if productivity modest pay rise this year for its 177,000 workers—but made clear that this would be less than the 5 per cent offered in May and withdrawn because of

the strikes. Initial union reaction to the surprise proposals and to the general hardline tone of BR's statement was hostile, though after BR's defeat of the strikes there seems little prospect of

plans. The board announced the cuts as part of its evidence to the arbitration hearing on this year's BR pay rise.

cuts in services. BR told the Railway Staffs' improvements National Tribunal that substanwhich it outlined were secured, tial reductions in passenger it would he able to afford a train mileage are to be implemented in October this year and January and May next year.

Though the figure was not given in evidence, it is understood that the cuts in resources are likely to average about 20

On some trains, pulling 10 coaches, a 20 per cent cut could be achieved by reducing the towns with eight services per

to six, a cut of more than 20 per cent. As the figure is an average, towns with a balf-hourly service,

for example, could find the service cut to one train every hour-a 50 per cent cut. BR is already cutting its

lotercity services.

BR told the tribunal that

these adjustments to passenger timetables were necessary he cause market changes, recession and traffic losses from the strikes bad meant there were more passenger trains than the volume of husiness

BR also laid before the tri-unal the "huge and imbunal the mediate" losses resulting from the two train drivers' strikes

Continued on Back Page

Banks lift City foreign earnings

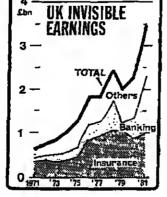
BY MAX WILKINSON, ECONOMICS CORRESPONDENT

London's financial institutions reached £3.5bn last year — half as much again as in 1980 - official figures showed yesterday. The increase mainly reflected

a trebling of invisible earnings by the banks, which for the first time exceeded the earnings from insurance business - the traditional mainstay of Britain's The banks' net earnings increased from £447m in 1980 to £1.33bn in 1981. Most of this

increase came from foreign currency loans in the Euromarkets. The balance of interest payments on all the banks' borrowing and lending in foreign

1980 to £1.01hn last year. The increase in the total invisible earnings of city insti- was hardly buoyant." tutions hetween the two years was the largest recorded.



The Committee on Invisible Exports described it yesterday as a "remarkable expansion in a year in which world trade

Although the banks have pushed the insurance industry

into second place as earners of foreign currency from invisible trade, net earnings from insurance increased—by £119m between 1980 and 1981 to a total of £974m. Earnings of Lloyd's, the

insurance institution hased on private wealth, recovered by £41m to £382m in 1981 after a schack between 1979 and 1980. The improvement in insurance by the 13 per cent deprecia-tion in the average value of sterling against the dollar between the two years, since a large amount of foreign insurance business is denominated in dollars.

City Institutions in creased their foreign earnings last year. Merchanting was up £40m at £200m, investment trusts up £9m at £91m; the

Continued on Back Page

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Price war looms in U.S. home computers

By Louise Kehoe in

TEXAS INSTRUMENTS, the major U.S. electronics company, has cut the price of its home computers by one-third in a move expected to start a price war in the competitive low-cost U.S. home computer market

It has reduced the price of its TI 99/1A model in the U.S. from \$299 (£171) 10 \$199. making it \$40 cheaper than any competitive machine produced by its direct competitors
—Commodore International

It also places the TI com-puter in the expected price range of the Sinclair home computer which is soon to be sold in the U.S. by Timex. TI's price cut comes in the form of a \$100 rebate to the consumer.

TI's nearest competitor in price terms is Commodore with Its Vic-20 home computer which retails at \$239. Commodore computer which leads the home computer Sbarif, a PLO official said: "The parket processing to modify points in the evacuation plan, but it was clear that its fundamental elements had not run into PLO opposition. Mr Bassam Abu Sbarif, a PLO official said: "The PLO offic Vic-20 home computer which retails at \$239. Commodore leads t be home computer market - generally defined as machines costing less than \$500

—with a 30 per cent share. It called the TI move "very premature," and added: "The demand for home computers is such that it exceeds supply." TI holds 17 per cent multi-billion of the dollar U.S. market for bome computers—units that plug into colour TV sets. The T1 price cut is seen by market analysts as an effort to incrase market share, a tactic commonly used in TI's mainline business Priced below \$200, the TI computer will also compete with video game units. One of the attributes of the TI com-

games.
TI has also been successful in the eduaction market, selling multiple units to schools, where it competes with Apple and Atari.

puter is its colour grapbles capability that makes it par-ticularly attractive for computer

Apple has also cut its prices recently. The company is offering a package deal incorporat-ing its Apple II unit for \$1,999, \$600 below the standard price. Apple said the TI move was day could find these reduced the personal computer field due to lower costs of semiconductor chips. He called the TI price cut "very aggressive." Apple does not, however, compete directly in the under \$500 market.

E in New York

Aug. 2 Pravious Spot | \$1.7570.7585 \$1.7425.7476 I month | 0.02-0.04 pm 0.06-0.09 pm S months | 0.56 0.40 pm 0.62-0.66 pm 12 months | 5.05 \$.16 pm 3.60-5.70 pm

Palestinians near agreement to leave Beirut

BY NORAH BOUSTANY IN BEIRUT AND ANATOLE KALETSKY

PALESTINIAN leaders day to have come close to agreement to a three-point plan, for the evacuation of Palestinian forces from the besieged Lebanese capital, put forward by Mr Philip Habib, the special

U.S. envoy further indications of a cocl-ing or relations between the International U.S. and Israel, whose forces have surrounded West Beirul. Statements by Egyptian officials also reflected increasing frustration in Cairo over Israel's heavy

attacks on Belrut. Lebanese Government officials said the PLO leaders were seek-PLO is ready to leave West Beirut. I am putting it celarly." The Lebanese officials said Mr Hahib's proposal involved a withdrawal by PLO forces from West Beirut and its suburhs within 15 days. They would travel by land to Damascus, in neighbouring Syria, from whence the guerrillas would go to other countries which will accept Palestinians; or they would leave by sea under Red

Cross flags; or both means would be used.

The proposal also suggested withdrawal by a large section of the PLO forces, with small arms, before the arrival of a multi-national force in Beirut, after which the rest of the guerrillas would leave, with the PLO leaders. There would be a re-adjustment of Israeli lines around eBirut once the multinational force was in place. The Palestinlans have been

in insisting that they should not; Beirut were understoon yester- begin their withdrawal before; by the U.S. and certain European countries, including France. Mr Habib's point about, pean most of the guerrillas withdrawing first is an attempt to secure! a compromise, both the Israelis; Signals from the leadership and elements of the Lebanese of the Palestine Liberation Government having argued that Organisation (PLO) came amid once the multinational force were in position, the Palestin-

ians might feel sceure euough lo try to slay. Mr Chaffic al Wazzan, the Laborese Prime Minister, also said the PLO should withdraw directly to Damascus. He was refleeting fears that the Palestin-ions might try to establish themserves elsewhere in Lebanon.

As prospects for an agree ment on evacuation grew, despite there being no firm indications of where the Palestinians would finally find refuge, Israeli armoured vehicles massed along roads leading into West Beirut, and Israeli and Palestinian artillery exchanged fire in the city's south-eastern. fire in the city's south-eastern suburbs.

in Washington, it was learned that Mr Hahib had sent President Ronald Reagan what one U.S. official described as blistering messages in recent days, to warn that there was little or no hope for his efforts to negotiate a settlement to the Lehanese crisis while the Israelis repeatedly broke cease-fires and responded massively to minor violations of them by the PLO.

Officials in Washington said the need to negotiate ceasefires, constantly had become the biggest obstacle to Mr Habib's attempts to get the PLO out of Lebanon. This view, which has not been officially endorsed by the Administration, was implicit Continued on Back Page

Gilts surge boosts SE turnover to record level

BY RAY MAUGHAN

STOCK Exchange rerorded is busiest month in July. Swollen by a hoom in Government securities sales. the Financial Times Turnover Index soared from 567.0 in June to a record 766.2.

The value of stocks and shares bought and sold in the London market climbed from £18.5hn ln June to £25.0bn. Dealers attributed the beavy activity in Government stocks to the worldwide fall

in bank interest rates which

Increased husiness in gilt-edged securities last month by 41 per cent to a peak £20.6bn. The previous monthly record of £17.79hn was set in March last year.

Ordinary sbares responded only cantiously to the lead given by gilts. The Financial Times Industrial Ordinary Index hit the mouth's high on July 23 at 578.2 before slipping nervously to close barely higher on balance at 556.5. Details, Page 17

OREX-MONEY MARKETS FOREX-MONEY MARKETS FOREX-MONEY MARKE

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AMERICAN NEWS

Turkey plans to rationalise banking system

BY METIN MUNIR IN ANKARA

KAFAOGLU, the new Turkish economics overlord, plans to rationalise the banking system and try to consolidate desis of large companies which are in

The 57-year-old Minister of Finance, who took over recently from Mr Turent Ozal, who lost Evren, the head of state, said: "I am going to bring the hanks together in groups and merge

"This is Turkey's most argent problem. In order to deal with other problems, this problem must be dealt with first." Mr Kafaoglu said he hoped to Introduce measures this mouth

and hinted that the country's military leadership knew of bis plans and approved of them. There are 45 banks in Tur-

Kenan Evren

the banks to reduce their

A second radical move by Mr

Kafaoglu is his plan to consoli-

date the dehts of large busi-nesses in trouble. Some 40 hanks have applied for assist-ance. "But don't think that is

the end of the list," said Mr

"There is a new one every

day, and each company in

trouble means a bank in

trouble. For hanks to hreathe

we must first of all make com-

His project is to found an investment bank this month,

and this will examine the

depending on size, profitability and export potential. They would be able to use new credit

lines. Mr Ozal's departure had led

to unease in the international

banking community. However, Mr Kafaoglu has been at pains

to demonstrate that he would

not deviate from the substance

of the programme laid down hy Mr Ozal and supported by the

International Monetary Fund

Three days after becoming Minister of Finance, Mr Kafa-

oglu, who described himself

The plan provoked contrast-

ing reactions yesterday among the left-wing Basque parties which have made the release of

prisoners a central campaign

initiative was liailed as a break

through by Euzkadiko Ezkerra

Basque Left) and denounced

as "a smokescreen for greater

repression" by a spokesman for

Batasuna

measures would he prisoners

who have sided with what is

known as the seventh assembly

The Interior Ministry

beneficiaries of the

to deficit financing.

(IMF).

Spain considers releasing

THE SPANISH Interior Minis- first democratic elections in

Unity).

up to 100 Eta convicts

branches.

panies breathe.

key with 6,200 hranches. More than half of them are private commercial hauks owned by families which also cootrol many of Turkey's large holding A problem developed two

years ago with the introduction nf a policy which allowed interest rates to rise. This pushed up deposit and lending -rates dramatically. Although deposits grew at an impressive rate, many companies could not cope with the cost of borrowing with interest rates often rising

to between 70 and over on an annual hasis.

Until the stabilisation programme, investment was artification investment was artification in the lucky ones will have their debts taken over by this their debts taken over by this and restructured, materily and had low equity basis. Demand for consumer and other goods—niosi Turkish industry is based on import substitution —also fell during this period, so that with profit margins squeezed on both sides many businesses found they were unable to service their debts. The low equity hases meant companies gearing increased

with the costly borrowing.
This, in turn, had its effects
on banks. The collapse of Banker Kastelli, the country's largest money broker, in June. banks. Bankruptcies were aver-ted by government action but tist," wrote to the IMF confirm-confidence in the system was ing his silegiance to the three-

undernilned.

Foreign liankers believe that reaffirmed this yesterday, Mr Kafaoglu is on the right stating his vehemeni opposition track. They believe that a reduction in the number of reduction in the number of hanks will restore confidence in the system and eliminate duplicated expenses by encouraging first." he said.

BY TOM BURNS IN MADRID

up to 100 sentenced members of

the militant Basque separatist

nrganisation Eta. in a move

almed at driving a wedge be-

tween the differing factions of

the organisation.
Announcing the move, Sr
Juan Jose Ruson, the Interior

Minister, said cases of jailed

Basques would be studied indi-

vidually and up to 100 could be

ranging from remissions to

Basques serving sentences or in

prised awaiting trial — the

highest number since a general

through measures

There are almost 500

amnesty was declared after the of Eta PM.

try is considering the release of 1977.



By Leslie Colltt in Warsaw

THE POLISH Government reverse conomy's decline and to achieve annual growths in national income, Industrial production and farm nulput in the next three years.

After studying three possibilities for development, the Government sald the "most probable " was a 3.5 per cent annual rise in national in-come, a 3.8 per cent rise in Industrial production, and a 3.2 per cent increase in farm

The official statement did not elahorate which period "before the crisis" is to be equalled by the end of what is now called the "three-year plan" to 1985.

The Warsaw Government said a reorientation will take place in foreign trade consisting of Intensified economic eo-operation with other Come-con countries. The share of developing countries in Polish trade is to grow markedly.

One problem in shifting the hulk of Polish trade back to Comecon is that the country Comecon is that the country must maintain—or even boost —exports to the West to repay its debts if it does not want to be declared in default.

Production slips in W. Germany

By James Buchan in Bonn

INDUSTRIAL production in West Germany started to slide in June, after holding steady in May. According to preltminary figures released vesterday hy the Bonn Economies Ministry, production outside the construction sector fell by 3 per ceni. seasonally adjusted, against the steady May and April

Despite the steady, if undramatic, improvements since January, industrial production remains down on last year's level.

Nordic gloom forecast ·

By William Dutiforce,

Nordic Editor in Stockholm THE ECONOMIC performance of the Nordle countries will be poorer than that of Western Europe as a whole ln 1982. Gross domestic product is expected to in-In the area with Norway. Sweden and Iceland recording declines ln total ontpul.

This forecast comes from Nordic Economic Outlook, the balf yearly sorvey pub-lished jointly by the federations of industries of the five Nordic countries.

The combined eurrent account delicit for the Nordic countries in 1982 is estimated to reach \$5.1bn (£2.8lm). Finland being the only country expecting to obtain a surplus. The largest shares of the combined delicit will fall nn Denmark and Sweden, where the shortfalls with amount to 3 and 3.5 per cent of GDP respectively.

MILESTONE IN ECONOMIC HISTORY

French credit line blocked

BY DAVID MARSH IN PARIS

AN EXTRAORDINARY milehislory has just been passed following the ending of the traditional right of the Finance Ministry to raise direct loans from the Bank of France.

The blocking, for the first lime, of the credit line between the two institutions is an automatic consequence of the large profits the Government has made over the last year from the rise in value of the dollars held in the country's foreign exchange reserves. Although comparatively little

ised over the last year, the credit line between the two institutions has often in the past totalled between FFr 10bn and FFr 20bn (£1.7bn).

Since its foundation io January 1800 under Napoleoo Bonaparte, the Bank of France has been used as a source of cheap credit by the Government, particularly in times of of monetary policies. national crisis, such as the Second the block

remstated later, depending on the Bank's com-plex accounting procedures—ia particularly ironic for two

Freech unemployment remained stable in July compared with the previous month in seasonally-adjusted terms, according to a provisional statement published by the Employment Ministry, our Paris Staff writes. The crude figure before seasonal adjust-meet rose by 1.6 per cent during the month to 1.897,000
—swollen by the number of

First, it comes about under Socialist Government whose relations with the central bank have occasionally been strained. Some key officials in the Elysee Palace accuse M Renaud de la Gesière, the Bank's governorwho was appointed under the presidency of M Giscard d'Estaing—of heing "too conservative" in the application

Second the blocking is a direct result of benefits which First World War.

The closing of the loan have accrued to the Finance window for the time being—it Ministry from the much-criti-

over the past year.
Roughly 80 per cent of
France's foreign exchange

the Bank has just paid to the Finance Ministry a profit of FFr 6.99bn resulting from Its of monetary reserves

reserves are believed to be held

in dollars. As a result of the

sbarp rise in the U.S. curreccy.

direct credit ceiling at the central hank, the profit allocation automaticaly reduced the Finance Ministry's right to draw fueds from the Rank.

The constitutional niceties months sets the Government's fueds from the Bank.

The ceiling was already down to FFr 3.16be as a result of previous allocations of exchange rate profits. So the latest reimbursement wiped out the credit line altogether.

The credit ceiling was set originally at FFr 20.5bn in 1973 —of which FFr 10.5bn was interest-free—and bad in the past risen as high as FFr 25bn and more,

The move will not make any have accrued to the Finance immediate difference to the Ministry from the much-criti- Finance Ministry's cash mancised rise in U.S. interest rates agement. Partly hecause of and the devaluation of the franc exchange rate profits last month it was in a healthy net credit position at the Bank of around

Women's groups react angrily to decision on abortion

social security deficit-expected

have been saved by other means.

fissionable materials used for

nuclear tests, it would be im-

portant for us and evidently to

all present that the U.S. delega-

tion clarifies the intentions of

the U.S.-whether they are

ready to draft such a treaty or

not-the Soviet delegate went

Despite disappointment at the

failure of the recent UN special session on disarmament in New

major powers had now em-

Reuter

GRUNDIG

office dictation machines,

hi-fi systems, business

television systems

"Concerning the problem of

would penalise women and families.

defeated.

Moscow urges pact to

ban weapons in space

mittee urgently draft treaties fissionable materials use banning chemical weapons and making these weapons.

It sald that postponement yould penalise low-income

BY DAVID WHITE IN PARIS

FRENCH women's organisa- cost FFr 200m a year.
tions, which broadly supported The Communist daity power, have reacted angrily to chorus of criticism yesterday, the Government's decision to suggesting that the sum was so postpone plans for making abor- small when set against the total tion repayable on the social security system.

Choislr, one of the movements most active in pressing for the legalisation of abortion in the 1970s, sald it was "indlenant" on learning that the Government had backed down on its promise to introduce the scheme from September this year.

No new date has been fixed. The reimbursement plan was dropped as a result of an economy drive aimed at patching up the FFr 10 hn (£833m) deficit for which the social security system was heading

the stationing of arms in outer

Victor Israelian, addressing the

opening meeting of the com-

mitlee's summer session, called

on the U.S. to state clearly

whether It was prepared to sup-

The first priority was to end the nuclear arms race: his

country had already proposed a mutual freeze of nuclear

arsenals by the superpowers,

The disarmament committee

had been marking time for four

ning nuclear weapon tests.

Mr Israelian said.

The

tions, which broadly supported The Communist daity news- hosipta the arrival of the Socialists in paper L'Humanité joined the clinics.

for Women's Rights, said the reimbursement measure had been "merely put off." She been "merely put off," She added that the budget problem had come up at a bad time, to be FFr 30bn next year on current trends—that it could when the law itself was proving more and more difficult to apply.

An increasing number Communists and Socialists voted en bloc to ensure the women passage of an abortion law in November 1979, following a fiveyear trial period. The Left, then in opposition, backed an

amendment to make the opera-tion repayable, but this was The original law ln 1974 made security system was heading this year.

The Ministry of Social Affairs and National Solidarity has estimated that repaying 75 per cent of the cost of abortlons would The original law in 1974 made France the first Roman Gatholic bas taken steps to implement other measures on the list—such as the introduction of a quota further liberalisation, and the Government has been working the cost of abortlons would stated that the cost of abortlons would stated that repaying 75 per cent of the cost of abortlons would stated that repaying 75 per cent of the cost of abortlons would stated that repaying 75 per cent of the cost of abortlons would stated that repaying 75 per cent of the cost of abortlons would stated that repaying 75 per cent of the cost of abortlons would stated that repaying 75 per cent of the cost of abortlons would stated that repaying 75 per cent of the cost of abortlons would stated that repaying 75 per cent of the cost of abortlons would stated that repaying 75 per cent of the cost of abortlons would stated that repaying 75 per cent of the cost of abortlons would stated that repaying 75 per cent of the cost of abortlons would stated that repaying 75 per cent of the cost of abortlons would stated that repaying 75 per cent of the cost of abortlons would stated the cost of abortlons wo

on a plan obliging all public

Mme Yvette Roudy, Minister

regrettable solutions "-either seeking abortions abroad or arranging clandestine operations Relmbursement for abortion from September onwards was on a list of promises announced on May S, France's newly created Women's Day. The Government

Danes hold refinery talks

GENEVA—The Soviet Union proposed yesterday that the 40-nation UN Disarmament Comton to be to stop the production of cussing the acquisition of Gulf Oil's Danish refinery or a share In Shell's refinery, according to Mr Poul Nielson, the Energy Minister. Gulf Oil'is interested in disposing of its refinery at Stigs-

naes, Zealand, in connection with the disposal of Gulf's European operations to Kuwaiti interesta. The Stigsnaes refinery has a capacily of 80,000 tonnes a day and is Denmark's biggest. session on disarmament in New It was built in 1962 and capa-York, Dr Henning Wegener, the city was doubled 10 years later, A Gulf spokesman said that West German delegate, wel-comed the fact that the two the company is discussing various forms of co-operation barked on ambitious negotia-tions to limit long-range nuclear partnersbip to sale of the

TELEFUNKEN

were resorting

forces need more, not less, integration.

Guaymi Indiaos in the West of the country. The area set aside of the key pnints of which was that there would be no across-contains the rich Cerro Colorado copper deposits which public sector. corporation, Codemin, hopes eventually to exploit jointly with Rio Tinto Zinc.

The outgoing administration's attempts at austerity, and the apparently more conservative

Gen Paredes recently declared his intention to run months. A senior aide to Sr for the Presidency in elections due to he held in 1984, backed by senior Guard officers and the conservative wing of the message in the letters from ruling Revolutionary Demo- now on is likely in he more eratic Party (PRD), an un- uniformly conservative, though wieldy coalition of businessmen still couched in the nopulist (Sr de la Espriella, for sentiments Panamanians

Panama's palace coup postpones power struggle

BY DAYID GARDNER

THE PALACE coup which forced President Aristides Royo regular half-yearly revaluation of Panama from office last Friday has brought to a temporary Under the system, dating conclusion the increasingly open back to 1973, which every six power struggle that followed the death a year ago of General

The constitutional niceties bave been observed with the appointment of Sr Ricardo de Espriella, formerly vicepresident, as the new President. However, the man giving the orders is clearly General Ruben Dario Paredes, commander of the National Guard, Panama's 11,000-strong army and police

The coup closes the uneasy interlude opened at the begin-ing of March when Gen (then Colonel) Paredes ousted his predecessor at the head of the Guard, Col Florencio Florez. The tone of the relationship between the Royo executive and Gen Paredes and his military allies was set from day one, when President Royo was required simply to ratify the shake-up in the Guard bierarchy and then pressured into strengthening the band of busi-

ness interests in the subsequent cabinet reshuffle. Since then, differences between the civilian executive and the Guard leadership have and the Guard leadership have hecome increasingly hitter

During the Falklands conflict, President Royo mooted the idea of sending troops to back Argentina; Gen Paredes stated publicly that the Guard bad

"precisely the number of troops necessary to defend the IPanama) Canal," with no surplus for foreign adventures.

President Royo has been a prime mover in the Panama-Venezuela initiative to stage a Latin American "security con-ference"—which would include Cuba—to review relations with the U.S. following Washington's support for Britain over the Falklands. Gen Paredes. echo-ing remarks by Gen Wallace Nutting, chief of U.S. Southern Command hased on Panama, has twice stated ostentatiously that Panamanian and U.S. armed

Domestic differences have also sharpened, notoriously over land rights for the indigenous

plants in the area. To nip land speculation in the hud, President Royo decreed a moratorium on new land sales and instituted a register of land holdings in the comarca. Gen Paredes, a former Agriculture Minister, got the region's landowners together and told them simply to ignore the decree.



Gen Parades . . . giving the orders

Cuban academics, technocrats i and nationalists. In recent weeks, Gen Parcdes had stepped up pressure on the Government to bring the poll date forward. Gen Paredes is bimself due in retire from the Guard in September, and there is a clear risk implicit in being cut off from bis military power base between then and 1984.

In addition, the ruling party credited in the eyes of the population as a result of corruption, economic mismanagement ; and indecisiveness. A recent differences opinion poll gave the PRD an assured vote of only 26 per cent.

Significantly, it has been Gen Paredes rather than President de la Espriella who has announced the key measures adopted since the coup. All senior Government officials (including heads of state corporations, ambassadors, mayors and provincial governnors) have been told to resign: across-the-hoard wage increases for those earning less than \$300 a month are in the pipeline; a member of the opposition parties has been named to the electoral tribunal set up to oversee the elections; and constilutional reform to make all deputies to the natinnal assembly directly electable—rather than a third, as up to now— has been set in train.

Gen Paredes has also managed to settle a bruising month-old strike with the teachers. The Royo Government had heen determined to hold the line against the teachers after reaching an agreement with IMF two months ago, one

apparently more conservative General Paredes untying of By Hitary Barnes in Copenhagen
The reserve, or "comarca" as the state purse-string, under it is known, already has an oil lines the difficulty in characteristic pleline across it, and there are Distribution Company is displans for three hydroelectric mitments of the two factions, mitments of the two factions.

> A leading Panamanlan editor pointed out last month, however, that whereas General Torrijos, the deposed President Royo's mentor, had recorded only lwo "non-Communist" statements in 13 years, General Paredes, who models his style on General Torrijos, has made six rigorously "anti-Commundeclarations in aa many Royo described this difference as like sending the same letter to different addresses. The example, is a banker), pro- used to under General Torrijos.

Grundig plans Telefunken merger in defence of W. German electronics

Sales (DMm)

Loss (DMm)

Share of West

Workforce

cially stricken Telefunken con-

East, which has already virtually conquered important seciors of the European market, If the deal goes through as lanned — and there are still substantial financial hurdles to he overcome - Grundig will have relieved Herr Heinz Dürr, AEG's helenguered chief executive, of one of his major European, consumer electronics headaches. How to dispose of

AT THE age of 74 Herr Max industry. His aim is 10 build of least a majority stake in the and overall management con-Grundig, the founder and owner on effective bullwark against the heavily loss-making Telefun-trol, with AEG continuing to hold 25 per cent. The remaining

communications, power engineering, defence and transport systems.

operations would, come cartel office objections.

the market for video recorders. The concentration does not stop here, however. Grundig is owned 24.5 per cent by Philips of the Netherlands, which in presence in the West German market.

Gundig/Telefunken deal is as yet far from clear bul it appears Grundig is hopeful that further industrial partners might be won for the venture at a later

The model understood to be favoured at present would effectively give Grundig a 26 per cent equity stake in Telefunken

ner partleipating with a stake of 20 per cent.

Telefunken, as part of AEG. 200m (£46:8m) in 1981 alone.

Grundig has said that its and Telefunken would certainly rationalise and streamline model programmes.

is already being restructured for

(Year to end March 1982) (1981) 2,900 40* 31.000 (of which 10,500 9,500 (of which 4,900 German TV market Production 25%† West Germany, France, West Germany, Italy Spain, Mexico, Brazil Italy, Portugal, Austria, Taiwan, Spain Tetevisions, video recorders, radio and radio/recorders. recorders, hi-fi

* estimates † industry estimates

Maoufacturers, who are search ing in West Germany. It closed around 50 per cent of Wesl Gering for greater economies of scale in their struggle against Far Easlern competitors, are also moving towards increased rationalisation and co-operation.

linked wih Telefunken and broke off negotiations only in April—has already moved into West Germany in an attempt to gain market share and outlets for its components, such as tubes. In 1977 Thomson-Brandt look over the privately owned Normende and in 1980 it bought

—and West European—con-sidlary) and Blaupunkt (the sureer electronics sector, which Bosch subsidiary).

Thomson-Brandt is also in the sector where Far East competi-

Saba's hi-fi works in Friedrichshafen-which, at the time of the 1980 takeover, still had a workforce of around 1,000. It is closing Nordmende's Bremeroperations at Villingen in Baden total sales — fell by 6 per cent Württemberg, and the Video-color tube-making plant in Ulm One-third o

systems, radios

Three factors have contributed to Telefunken's difficuldepressed production at its Second, Its operations in Brazil, making activities abroad. Mexico, Spain and Italy, all of turned in disastrous financial volume production, process of substantial restructur- tion is now thought to control hi-fi and radios,

has been shut.



man sales. Last year out of Telefunken's losses of around DM 200m, DM 160m alone was accumulated abroad. The domestic operations cut 1980 losses of haven works with the loss of ahout DM 110m to around about 500 jobs, a further 600 DM 50m in 1981. Turnover jobs have been cut from Saba's which was 11.6 per cent of AEG

One-third of Telefunken aales come from the home market, one-third from exports and onethird from the sales of foreign ties. First, poor sales bave manufacturing operations. The company, however, sees little West German television plant, chance of holding on to its loss-

Some 48 per cent of domestic which were exclusively depen- sales is derived from colour dent on local markets, bave television sets - Telefunken developed the PAL colour leleperformances. Third, it is also vision system now used in more running up losses on its domes- than 60 countries-with 30 per tic bi-fi business — a market cent coming from video sector where Far East competi-recorders and 22 per cent from

The big divergence between Telefunken and Grundig products is in video recorders, the one area of the consumer electronics market where there is still explosive growth. Grundig sells the European 2000 system, which it has developed jointly with Philips. The system claims around 30 per cent of the West German market and Grundig is hoping to double production Telefunken, on the other hand, markets the VHS system developed by the Japan Victor Company (JVC) which overall claims around 55 per cent of the West German market.

JVC's video recorders are also marketed in West Germany by Saba and Nordmende and hi Blaupunkt, as well as by JVC itself and Matsushita. Last year, Telefunken entered joint venture with JVC and Thorn EMI of the UK - each owning a third - to produce video recorders in Berlin. Production began in May and is building to a level of 300,000 a

Sony's Beta system accounts for

the remaining 15 per cent.

at a later date. Go-operation in this case too was the only way that Telefunken could ensure conomies of scale in production. Whether Telefunken can remain in this venture under Grundig's control remains to be seen, butco-operation will continue to provide the leitmotif for further rationalisation of the consumer electronics sector in Western

year. Thomson-Brandt, too, has

an option to join the operation

FINANCIAL TIMES, published delly except Sundays, and hobbays. U.S. subscription rates \$365.00 per annum. Second Class bostage paid at New York, N.Y., and at additional marking contrast.

consumer electronics group, has not ceased to dream. His more to help rescue the finanelectronies subsidiary of the ailing AEG group, is seen by Herr Grundig as the possible first step towards a much wider co-operation in the West German and perhaps the West

Base Rate

BANK OF CREDIT AND COMMERCE INTERNATIONAL SOCIETE ANONYME LICENSED DEPOSIT TAKER

from 12% to $11\frac{1}{2}$ % p.a.

announces that from 4th August 1982 its base rate

100 Leadenhall Street London EC3A 3AD

Herr Dürr has made no secret of the fact that consumer electronies would have to be largely abandoned if AEG were to stand any chance of saving the concern's more promising capital goods activities in tele-

The move to merge in some way the Grundig and Tele-funken consumer electronics however, create a powerfully dominant presence in the West German market. This has landed a major problem at the door of the federal cartel authorities and the two companies might well have to seek the hacking of Count Otlo Lambsdorff, the federal Economics Minister, to over-

Together Grundig and Telefunken would control around 35 per cent of the West German colour television market and mnre than 25 per cent of its own right has an important

The final structure of the

49 per cent would be taken over by leading members of AEG's West German banking consortium, as a temporary solution until further industrial partaa a temporary solution ners are found,

A similar construction was three leading banks. Dresdner Bank, Deittsche Bank and Westdeutsche Landesbank agreed to take a 29 per cent interest through their respective industrial holding companies in Olympla, AEG's loss-making office equipment subsidiary. On that occasion Bosch, the electrical and automotive components group, was the iodustrial part-

It is clear that the banks will have to play a major role in the financial reconstruction if the deal with Grundig emerges. carries burdensome unfunded pension liabilities and it has accumulated massive losses in recept years-more than DM

interest in Telefunken lies chiefly in creating the first block for future co-operative ventures in Europe, aimed al rationalising European production and research and development. As a first step, Grundig

Thomson-Brandt of Francecompany that for months was

up Saba from GTE of the U.S. These two acquisitions have put Thomson-Brandt in second place in the West German colour television market, behind Grun-Such a merger would be the as Philips, Telefunken, Standard next slep for the West German Elektrik Lorenz (the ITT sub-

المكاان

Internal wrangle looms over U.S. defence budget

BY ANATOLE KALETSKY IN WASHINGTON

THE REAGAN Administration faces the prospect of a major internal battle over the 1934 defence budget in the next few

Mr David Slockman, the Adminstiration's Budget Director, said yesterday that President Reagan is "firmly committed" to the reduced defence plans for 1934 and 1985 contained in the budget recently passed by Coogress.

ment officials said they were ing concern about the levels putting the finishing touches to of a \$247bn defence plan for 1984 "rhetopric." which would, in effect, ignore men who opposed defence the Congressional budget cell-soending in principle normally ings and return defence spending to targets originally announced in January last year

fiscal 1984. The request will be submitted to the Cabinet by

The officials said they had been encouraged to put forward their initial 1983 request for an ambitious request by Cabinet \$216bn by only \$70m. debates on the budger and by

MR JOHN HUGHES, 52, a naturalised U.S. citizen born in Snuth Wales, is to replace Mr Dean Fischer as chief State Department spokesman, the White House announced yesterday, Reginald Dale reports from Washington.

A senior official quoted in the New York Times yesterday dis-But senior defence depart- missed much of the growdefence spending as wards, but Congressional can hetopric." Even Congress- and delays in procurement remains in principle normally in in 1982 and 1983 by about soending in principle normally voted for programmes which \$13bn. benefit their own districts, one official pointed out.

by the President.

The \$247b0 figure is about many Congressmen and a nearclobal more than Congress consensus among economists

Congress consensus among economists that President Reagan's defence build-up is incompatible with other economic goals, a series of early September, the officials Pentagon officials interviewed by said. out that Congress bad cut back The Pentagon says it now

Congressional treatment of their looks probable that President (in curr 1983 requests, Reagan's major defence pro- by 1985.

grammes will survive almost House of Representatives compete their reconciliation of the two versions of the defence budgets they passed in the last three months.

The Pentagon pow says it will press for a return to the original defence spending strategy which President Reagan outlined immediately after his elec-

President Reagan said last

Political parties expected to agree pact in El Salvador

yesterday parties. President Alvaro Magana was also expected to sign the pact.

A document to be signed by leaders of the right-wing Arena and National Concillation Parties and the moderate Christian Democratic Party, which held power under President Napoleon Duarte until last March's elections, covers agreements on economic reforms, human rights and ways of combating the left-wing guerrilla

Yesterday's agreement, known as the "Poot of Apaneca." marks a further consolidation in power of the Right in El In the four menths since the and land r Salvador. Right-wing parties led elections to the Constitutional six months

leading political compelled to include Christian

President Alvaro Democrats in the Government.

Sr Alfonso Salazar, the Presidential spokesman, said on Monday that the pact "plans a strategy to strengthen and give more cohesiveness to the 'gov-ernment of National Unity'," the five-party group in power.

the pact would contain a date

FORMAL agreement on a com- by Major Roberto d'Aubrisson's Assembly, political violence in mon political platform was due to be reached in El Salvador of votes in the elections, but over 30,000 lives in the past yesterday between the after intense U.S. pressure were three years, has worsened. Government critics say that no serious steps have been taken to stamp out torture or other

Notwithstanding the continuing violence, the U.S. Adminis-tration reported to Congress last Wednesday that the Government The existence of the pact was concerted and significant effort first revealed by President to comply with internationally Magana two weeks ago. He said recognised buman rights " and was " achieving substantial confor the holding of general electrol over all elements of its tions. But this element of the own armed forces."

package appears to have been The Administration is required softened in the final drafting by Congress to seek recertifithe reference now is to the cation of progress by El method of holding the elections. Salvador on the buman rights. In the four menths since the and land reform fronts every

ber-to set new ground rules

creases of 7 per cent in real defence spending from 1982 on-

month that he would not feel hound by budget ceilings on individual defence programmes. The Pentagon's view of this statement, according to the senior officials quoted yester-day, is that he will press for a return to his original overall spending goals for both 1984 and 1985.

After the \$247bn proposed for 1984 this would mean a further increase of nearly 16 per cent (an current prices) to \$285.5bn

Ronald Buchanan reviews the background to Mexicana airline's nationalisation Mexico cages private enterprise eagle

THE nationalisation of Mexico's top airline, Compania Mexicana de Aviacion, has badly jolted the private sector. Rather than unscathed after the Senate and | marking an assault on private business, however, the takeover could signal the first attempt by the incoming administration -which takes office in Decem-

> for the mixed economy. At a meeting of the board on July 29, Sr Emilia Mujica Montoya, the Transport Minister, was installed as chairman, replacing Sr Crescencio Ballesteros, a construction tycoon.

Sr Ballesteros, who bought the airline from Pan American World Airways in 1967, had turned it from the verge of hankruptcy to become the world's tenth most profitable carrier and the biggest in Latin America (using, as the measure, the number of passengers carried). With Sr Ballesteros at the helm, Mexicana was held up by the Mexican private sector as a symbol of its ability to provide a good service at a profit.

By contrast, the only other airline, the state-owned Aero-mexico, had problems with its could not understand Sr Bal-image and its profitability. In lesteros's decision to sell over image and its profitability. In lesteros's decision to sell over 1981, it carried 5.5m passengers the heads of the private sector. at a profit estimated at 48 The concern was heightened at a profit estimated at 48 The concern was heightened pence per passenger. Mexicaoa by the political and economic carried 8.2m at an average profit

Thus the shock was considerthe shock was consider of Presidence level, but in able when news first broke of Mexico his influence goes the takeover. Though periectly beyond that. There are few who legal in Mexico, it was an doubt that only he could have obscure deal by intercational the political strength to take standards. Sr Ballesteros, with-out offering an option to other shareholders, sold his controlling interest for an undisclosed price to the State, which was administration is likely to use already the higgest minority to pull Mexico out of tis ever-

caused confusion and consterna- General del Norte, one of the tion. "It's a black day for the nation's top four building com-



Former Mexicana chairman Sr Crescencio Ballesteros-turned it into the world's tenth most

private sector," said one of the airline's bankers. "Sr Ballesteros which owes foreign bankers of a different nature. There is wouldn't give in just like that. \$500m suspended all ayments no doubt, though, that, what-Everyone knew him as a

"I'm hewildered, but more than that, I feel betrayed," said the representative of a foreign

conjuncture. Sr Miguel de la Madrid now enjoys the status of President-elect, but in

the decision to nationalise. The takeover is, therefore, being seen as a first pointer to the tactics the incoming deepening financial crisis.

This cageing of the Aztec The most recent victim of the eagle of private enterprise crisis, however, is Constructora The most recent victim of the

at the beginning of July. The ever the longer-term future of company, which did £200m of Mexicana, it was facing majer business with the Government difficulties. Pre-tax profits last year, has fallen victim to slumped in 1981 to £7.3m, from public-spending cuts almost £14m the year before.

announced earlier this year.

Grupo Industrial Alfa, mid-February devaluation of Mexico's largest private contact the peso almost doubled the glomerate, which is in much burden of Mexicana's \$350m more serious trouble than Mexiforeign debt. It led, too, to a cana, declared a suspension of sharp drop in travel abroad by principle payments in April on Mexicans, the main source of its \$2.3bn debt (£1.3bn) and, company income. These and according to bankers, may soon other problems produced a dissuspend some interest pay-ments. The Government has losses were estimated at \$127m. been discussing the purchase of a dozen of Alfa's subsidiaries.

"Never before have we lost so much money in so few months."

a dozen of Alfa's subsidiaries.

Sr Ballesteros. however, strongly denies that the Mexicana takeover was provoked by a financial crisis in the company, or by problems in his construction empire. He says all his corpanies are in "splendid" on which there is no public incompanies are in "splendid" on which there is no public in-financial condition, and "besides formation, must have been very I never mix one company up much greater.

longer afford the massive sub-sidies it was paying to the aviation industry-both public and private sector.
The closest Government has come to a public statement on the issue was a front-page

article in the official newspaper El Nacional. The article quotes technicians from the Ministry of Communications and Trans

tion to the deal was "quite unjustified" the technicians said. Thanks to the policy of subsidies to private enterprise. the Federal Government injected too much money into this company and it saw no end in sight. In no way could this money be looked on as a gift; it had to be got back." At the same time the compe

tition for a shrinking market between the two airlines was "suicidal" from the point of view of the national interest, the technicians added. In future, the two will not com-pote for the same traffic, and there are likely to be other sayings from a rationallsation of their activities.

Thus the takeover has the hallmark of two of the main thrusts of Sr de la Madrid's draft programme for the 1982-88

the frequently incestuous relationship between the Government and the private sector.

Mexicana's 1981 profits, for
example, included the proceeds from the sale of four Boeing 727 to the Mexican air force at a price understood to be well over the almost non-existent market value of these aircraft.

The takeover also indicates Sr de la Madrid's intentions to put national interest before either those of the private secwith another."

The most likely hypothesis is tor or those which bave been
The implication is that Sr that the Government bought created within the State,

Nicaragua rejects grant

Nicaragua has rejected a \$5.1m (£2.9m) grant from the U.S. Agency for International Development that has ear-

marked for the country's predominantly conservative private sector and Roman Catholic church, a government official announced this week, AP reports from Managua.

Foreign investment in U.S. falls

BY PAUL TAYLOR IN NEW YORK

manufacturing investments they make in the U.S. because of the sluggish economy, an indepen-dent report published yesterday

ment this year will be far below The report, published by the New York-based Conference Board, says that in the first half of this year, only 136 foreign Manufacturing investments took manufacturing investments took manufacturing investments took showing a clear preference to with 31 during the period of manufacturing investments.

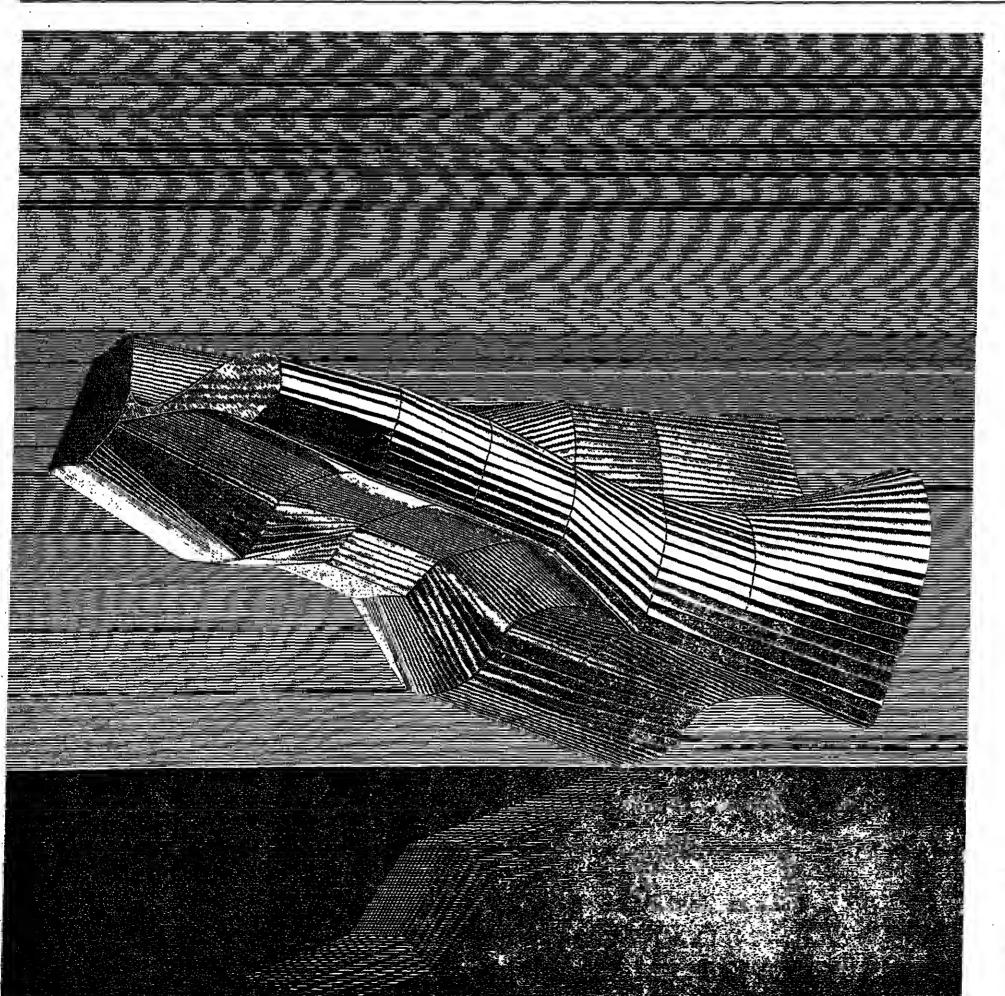
OVERSEAS companies have place involving overseas com-sharply reduced the number of panles acquiring a majority build new facilities. stake—the lowest six-month total since the first half of 1977. The board says that If this trend continues, foreign lovest-

Acquisitions accounted for 57 per cent of all foreign manufacturing lovestment in the U.S. during the first six months

of this year compared with an average of less than 50 per cent during the previous three years.

CIBC loans

In a report in yesterday's FT on the Canadian Goveroment's inquiry into banks, a reference to Canadian Imperial Bank of Commerce loans to the Dome Petroleum group should have read: The Canadian Imperial Bank of Commerce, whose lnams to the Donie Petrolcum group a around C\$1bn exceeded per cent of its capital as at April 30 last year, has already taken steps to impose a 15 per cent limit on future corporate loans.



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Continues and Continues of the Continues



Namibia optimism

A SENIOR member of the South West Africa People's Organisation (Swapo) yesterday dismissed Western dintomats optimistic assessment of pros-

pects for an early settlement in Namibia. Talks in New York aimed at bringing about a settlement in Namibia (South West Africa)
"have nardly accomplished anysignificance." Hamutenya

yesterday. Mr Hamulenya, a member of the Swapo central committee woo attended the talks. arranged by the five member Western contact group and including representatives from the Six African front line states. told a Loodon Press conference "tbere is no tangible evidence to show that any progress has been made on the Namibian negotiations over the last two months."

The New York negotiations. which hegan on July 6, have now gone into recess he said. though they may resume in mid-

August. The key issues under discussion are the choice of an electoral system, the composition of the United Nations transitional administration for the territory, ceasefire arrangements and the composition and deployment of the UN peacekeeping force. A further critical issue is South Africa's demand that 15,000-20,000 Cuban troops should he withdrawn from Angola as part of any settlement.

Pretoria was not represented at the talks, but Western diolomats point out that parallel diswith senior South African officials in Washington. A South African military delegation is expected in New York this

Libya 'determined' to hold summit

LIBYAN leader Col Muammer Gadoffy is determined to hold a summit meeting of African leaders later this week regardless of whether or not a quorum of the Organisation of African Unity is present, a sector OAU official said yesterday, AP reports from Tripoli. There is virtually no hope of a querum because the summit is being boycotted by about 20 countries objecting to the participation of the Polisario guerrilla move-ment which seeks to control the

Nairobi's lowly Kenyatta Hos-pital gestured towards the dozens of corpses piled on top of one another and said: "They do not usually send them bere, hut the city morgue is full." Asked about the capacity of the morgue, he shrugged and said: "About 500."

The figure could not he sub-stantiated hecause police and army refused to allow reporters to see the city morgue, and the death toll implied by the atten-dant was probably an exaggeratioo. But, three days after the unsuccessful attempt to overthrow President Daniel arap Moi by low-ranking Air Force per-sonnet, the magnitude of the failed coup and its consequences

yesterday, with occasional shots choing over the capital. The city centre was deserted by 3.50 pm.

detained after the attempt—300 in Narrohi and 700 at the Nanyuki Air Force hase to the north, which also joined the

Universiment officials were curfew from 6 pm to 7 am. quoted as saying that 1.000 Alr Millions of pounds worth Force personnel had been goods have been looten from

VERY LITTLE concentrates the

minds of the black governments surrounding South Africa more

sharply than the politics of

transport in the region. Con-tinuing attacks by anti-Govern-

ment guerrillas on the Mozam-

bique railway system, the latest two weeks ago, quickly send pangs of anxiety into neighbour-

The black-ruled states of the

region have long felt vulner-

able to the fact that South

African outlets and facilities-

on which many of them depend

Mozambique Resistance Move-

ment (MRM), responsible for

sabotage on lines linking Zim-

babwe and Malawi to the sea.

the railways are a prime target.

Another MRM target bas been the oil pipeline from the

Mozembique port of Beira to

the oil termical at Feruka in

Zimbabwe. But last month the

lice was reopeoed, with two

results. It will reduce Zim-

hahwe's dependence on South

Africa for its fuel needs, and

substantially increase the capa-

city of the country's transport

system. Refioed fuels, ore-viously transported by rail

from the Mozambique port of

Maputo, will now he pumped

only 10 days a month, it can

If the pipeline operates for

along the 880-mile pipeline.

play a key role. And for the

day appealed to his country-

day deadline passed for the rebels to surrender. The radio also broadcast requests that people turn in firearms and donate blood.

Nairobi to examine the damage caused by the rebellion, and accused university students of luvolvement in the subsequent looting spree which wreaked heavy damage

predominantly Millions of pounds worth of Kenya's clite.

Tony Hawkins reports from Harare on Southern Africa's transport

Zimbabwe keeps coast line open

reports of looters and other civilians being ahot in the after-

most important casualty is the country's reputation for sta-

University students, who came out in large numbers to support the rebellion, were sent bome yesterday. Troops occupied the campus and the university was closed indefi-

Nairobl itself has begun to People report for work in the morning but leave by mid-

terday found that his electricity as a bastion of order in Africa.

Unaccustomed queues for different now."

Among the differences are the

munal taxis at road blocks, seeking rebels, rather than policemen looking for a bribe to augment their wages.

The rebels drew some popular support from those of Nairobi's urban poor who regard themselves as alienated from an elitist political system and ignored by those with wealth and power. But the insurgents miscalculated on two levels: popular support was not as widespread as they had antici-pated, although neither was the reassertion of Government control greeted with spontaneous joy; and the senior army men, along with their units, remained

That, in itself, may be presented by the Government as evidence of a fundamental stability. But if the ragged young men waving black power salutes in Nairobi last Sunday are any-thing to go by there is a deep which will not be contained by the new one-party system.

Sri Lanka curfew relaxed

Sri Lanka yesterday further relaxed the curfew in the troubled southern town of Galle, scene of clashes beween Sinhalese and Moslems last week, Reuter reports from Colombo. Police said shops in Galle, 70 miles south of Colombo, opened for normal business and people moved about freely on the treets. But more than 1,000 police were patrolling the

allow foreign

TAIWAN'S Finance Ministry

has finalised a plan under which the local stock market

would be indirectly opened to

years and then probably directly opened, a Ministry official said, Reuter reports from Taipel, The Ministry is

to set up a securities trust investment managerial fund,

controlled by an international

trust investment company, to nvoid the possibility of price fluctuations resulting from speculation by foreign

Foreign underwriting com-

panies will be able to issue beneficial certificates for foreigners to buy to invest

in the Taiwan market. Interest will be paid on an

in stocks

foreign investors

JAL to change computers

JAPAN Air Lines (JAL) is considering replacing part of its computer system, dominated by International Business Machines (IBM), with Japanese models, officials sald, it was reported in Tokyo. The national airline plans to introduce two large domestic computers comparable to four existing models currently used for controlling flight operation, maintenance and

Hong Kong export volume falls

administrative management.

HONG KONG'S exports showed serious weakness in May in volume terms according to Government figures released yesterday, AP-DJ Total caport volume fell .8 per cent in May compared with May last year. Import volume dropped by 16 per cent and re-export volume, which had been growing sharply in 1981, fell by 1 per cent.

Swapo chief Jittery Kenya counts the cost of a blow to its reputation Taiwan to stands at over 100-71 of them will be dealt with "ruthlessly." Air Force rebels—with up to Nairobl itself has begun to on shops in the capital. Although the Government appears to have restored full PRESIDENT Danlel arap Moi return to a kind of normality.

control, some scattered firing

was reported from a slum

area resterday morning and

there were suggestions that

pockets of resistance re-mained elsewhere.

President Moi, nrging peo-ple to go about their normal

husiness without fear, praised the army and police for re-

of Kenya, in his second radio address in two days, yestermen for support following Sunday's abortive conp. His appeal came as the mid-

President Moi toured

stores, which became a target of those of Nairobi's poor who were seized with a blend of resentment and anger against

gaining control.

Efforts were heling made to re-open Nairobi alreort, but many shops and offices stayed closed and the overnight curfew remains in force. Asian-owned

500 wounded. There is wide-spread speculation that the real tally is much higher, following math of the uoreat. Internationally, however, the

bility and prosperity, which encouraged foreign investors. "The open rehelion by the Ken-yan Air Foree will of course not he forgotten easily." the daily newspaper, The Nation, said in an editorial yesterday. "It will leave a permanent scar on the political life of this nation. Things will never be the same

Kenya's clile.

nitely. Any rebels still at Among the differences are the The official casualty toll now large, according to the army, armed soldlers checking com-

afternoon so as not to infringe the curfew. Store owners have been boarding up empty ahops ransacked by looters, and a businessman who returned to his office for the first time yesbill had been delivered on time. But there are other sights that few would have forecast in a city so jealous of its reputation

bread formed outside super-markets and hakeries, for in-stance, and what goods had been left untouched by looters fell prey to panic huying. "We always said it would never happen here," a white resident of long standing said. "Things seem



stands" say rail users) and the frequent sabotage attacks which have resulted in the line being closed for days at a time. The NRZ has provided Mozambique's railways with some of its anti-sabotage vehicles and equipment, but in some areas trains can only run in daylight because of the activities of the MRM guerrillas.

Despite this, Zimbabwe makes more use of Maputo-even if the traffic is routed to the port via the South African system—than does either Zambla or Zaire, both of whom, swallowing any political qualms they might have, rely on the South African railways

In May, 36 per cent of Zimbabwe's exports used the

going to the South African ports. The balance of 18 per cent represents exports going

British aid to Mozambique worth £10m, will be used to upgrade and repair the Mozam bique line. The NRZ will help by re-laying 50 miles of track from the Mozambique border towards Maputo. Zimbabwe's

businessmen however, are reinctant to increase the use of Maputo and Beira, criticising the ports for delays, damage to and pilfering of cargo and communications difficulties. Insurance rates on traffic moving through Mozam-bique have been doubled. Both importers and exporters say a substantial increase -in por security position improves, the Maputo line is upgraded and port efficiency increased port efficiency increases.

meet Zimbabwe's total petrol dlesel requirementsand eslern Sahara. President Kenneth Kaunda of likely, as stocks are rebuilt and Zambla said he would attend. consumption rises.

viously

The Board of Directors of ENSERCH Corporation on July 22, 1982, declared a regular quarterly dividend of 40 cents per share of common stock, payable September 7, 1982, to shareholders of record August 20, 1982.

to Benjamin A. Brown, Vice President, Dept. L, ENSERCH Center, Box 999, Dalias, Texas 75221.

For additional information, please write

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BASE LENDING RATES

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Mougage best rate.

last year. The shift to the pigeline of the bulk of the country's from attacks against the pumpliquid fuel requirements (some specialised fuels, such as very close to Frelimo camps, aviation spirit, will continue to and attacks would require he brought in by rail) will not greater expertise than the MRM pangs of anxiety into neighbour-ing capitals, particularly Harare Zimbabwe. only release transport capacity for other traffic. It should also —at least in theory—save the country an estimated Zim\$36m (£27m) a year in foreign ex-

supplies (the refined peiro) and

Algeria) will be significantly canvassing for traffic. This is cheaper than rail imports. These savings in foreign currency are unlikely to materialise this year, however, since oil imports can be expected to Increase as the country huilds up its depleted stocks of fuel to the desired level of 56 days' consumption. Equally, as the informal rationing system in operation for the past year falls away, so con-

sumption can be expected to

rise, thereby partly eroding the

savings in transport.

The biggest question hanging over the successful operation of the pipellne, owned hy the Lonrho group, is the ability of the Mozambiquan Frelimo army protect it from sabotage attacks by the dissident MRM. Indeed, shortly after the re-opening, the pipeline was reliant on emergency power supplies after power installations in the area had been attacked.

Oil is Zimhabwe's largest line can be repaired within 24 the 32 diesels it had on loan import, accounting for more to 48 hours, given adequate milifrom South Africa as well as than 20 per cent of total imports tary protection for technicians, another 13 from Mozambique A greater threat would come ine stations, but they are all normally possesses.

Ironically, the transport capacity made available by the pipeline opening will come at a time when the National Railways of Zimbabwe (NRZ) are not only meeting diesel is being bought from total demand, but are actively in stark contrast to the situation a year ago. Then, exports, imports and domestic traffic alike were restricted, primarily by the sbortage of locomotives on the NRZ, but also by the exocus of skilled personnel and delays on neighbouring transsystems, especially ln Mozamhique and South Africa.

> There are two main reasons for the about turn in the first half of 1982. First, the severe 1981-82 drought and the world recession both of which have led to reduce traffic volumes. Second, the speed with which the NRZ has rebuilt its locomotive fleet to the point where locomotives on hire from neighbouring countries are being returned.

Thirty-five new diesel locomotives, purchased from General Motors in the U.S., have already arrived and a further 25 are either by the sub-standard con- Mozambique ports, mainly due this month. These have dition of the line to Maputo Maputo but some went to

baa been partly resolved by the employment of some 440 expatriate contracts from India and Pakistan. At the same time NRZ bas greatly stepped up its Nonetheless, the drain of

The lack of skilled personnel

in-house training programmes. skilled and experienced white personnel continues unabated. There were some 9,000 white railwaymen employed by NRZ in 1977. Today the figure is less than 3,500 and the wastage is estimated at 100 a month. A company of international consultants bas been engaged to look at the system's immediate aa weli as loog-term manpower requirements and policies. There can be no short-term solution, however, and this con-straint will inhibit performance over the next few years.

and Malawi.

Problems over access to ports continue as exporters and importers are reluctant to use the Mozambique system allied with the poor performance of the Mozambique's own railways. The turoround time of wagons from the Zimbabwean horder to the port of Maputo has improved from 44 days to 32 days, but this is still more than double the targeted rate of 15

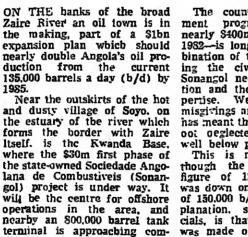
Further traffic is interrupted

Zimbabwean officials say the allowed NRZ to start returning ("not even up to branch line Beara as against 46 per cent

The oil link between the West and Angola

ENERGY REVIEW

By Michael Holman, recently in Soyo



Within the fenced compound, patrolled by Kalashnikov-carry-ing members of Fapla, the Angolan army, visitors are agreement with Sonangol in Block Two-offsbore Soyo, and one of 13 such blocks, each in 1978/79.

The Texaco mess, with its imported food and the air conditioned living quarters that surround it. Is a world away surround it. Is a world away effective part in the sector. The rest of Angola. Luanda, the capital, is short of almost every hasic commodity. But in Angola the oil industry lives a privileged life, and for good that exploration hegan in 19 and Cabinda continues to do

The commodity provides some 80 per cent of export carnings and half government revenuc. Despite state participation through Sonaogol, most of the technical expertise comes from foreigners-Americans, French and Belgians. And the bulk of production is

taken by the West, with the United States buying two-thirds followed by Belgium, Brazil and France. Domesic demand takes about 10 per cent of production and is refined at the Luanda plant. operated by Petrangol. the Belgian company which is the majority owner. The refinery, sabolaged last November, was back in production within weeks and a \$200m-\$300m expansion project will double its current 35,000 b/d

The country's Slbn invest-ment programme—of which nearly \$400m is the target for bination of the disruption dur-ing the civil war, the time Sonangol needed for organisation and the gathering of expertise. Western companies' misgivings and inadequate data has meant that the sector, while oot deglected, was developed well below potential. This is now changing, al-

though the 1981 production figure of 125.000-130.000 b/d was down on the 1980 average of 150,000 b/d. Part of the explanation, say company offi-cials, is that a greater effort was made on exploration and the cost of existing wells. Exploratory drilling has risen

from two to three wells a year in 1979 to over 40 planned for offered lunch hy Texaco, the 1982. Proven reserves are put U.S. company which has a 40 at some 1.5bn barrels while per cent production sharing potential reserves are thought comfortably to exceed 2bn. In terms of the country's Petroleum Law of September 4.000 sq km, delineated off the 1978, oil and gas reserves are Angolan coast after a seismic survey carried out and analysed controlled by Sonangol, founded in 1976, the year after indepen-

dence.
But it was not until 1978 that Sonangol began to play an effective part in the sector. That year it thok a 51 per cent haldiog in the operations of the U.S. company Gulf Oil in Cabinda. It was here, north of Soyo, that exploration hegan in 1957

and Cabinda continues to dominate. Output peaked at 150,000 h/d in 1974 but the civil war that marked the indepen-dence period forced a temporary suspension of operations, which resumed in April 1976.
Today Cabinda provides about two-thirds of national production and the current output of some 90,000 h/d should double by 1985, as a result of

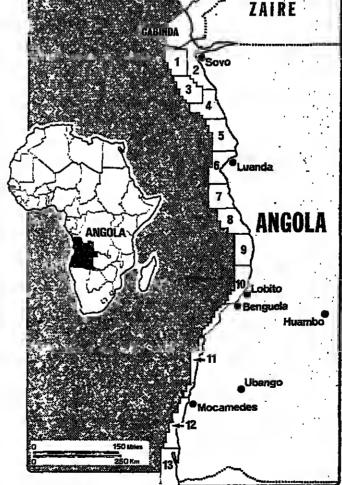
two projects.

The first should come on stream in October and is a \$168m gas injection scheme (\$50m was raised last year in a loan led by Chase Manhattan and Bankers Trust), which is expected in increase the yield by 15,000-20,000 b/d. The second is the \$600m

development of the new Takuta

field, due to produce later this year and expected to raise out-

put by 70,000 b/d by 1985.



The operations of Gulf in ing costs against expenses, but all a provide a classic the company is obliged to xample of the co-operation that undertake additional exploration and development. Cahinda provide a classic example of the co-operation that is possible between Western oll companies and a self-proclaimed Apart from Cabinda, Marxist government.

The Cabinda agreement, signed in December 1978, but ● Kwanza Basin—A joint venture; Sonangol 51 per cent, Petrangol 49 per cent, 1982 budget \$17.6m, production 4,000 effective from January 1 1977, gives a 16.67 per cent royalty gives a 16.57 per cent royally to Government, a 65.75 rate of income tax, and a variable petroleum tax which ensures than the net income per barrel is not greater than that that the per cent, Texaco 16.7 per cent. Two fields with nearly 50

Twelve fields with nearly 50 Live other companies, Gulf wells provide around 30 per can set off exploration and drill cent of national production. Of the offshore blocks money without finding oil."

Number Two bas an output of However to the common of the commo

Development of the remaining blocks is at different stages:
Block 3: Elf, the operator with 50 per cent, has found a field which is said to have a potential of 100,000 b/d. Partners are Mobil, 25 per cent; Agip 15 per cent; Naftaplan 5 per cent: Naftagas 5 per cent. 1982 budget: \$120m.
Block 6: Operator—Total, 50 per cent; partners: Union Texas

per cent; partners: Union Texas 25 per cent, Deminex 25 per cent 1982 budget: \$36m. But wella so far have been dry and prospects seem poor.

Block 9: Operator-Cities Service, 50 per cent; partners Marathon 50 per cent. 1982 budget: \$57.5m.

Block 7: Operator-Cities ervice, partners: IEDC, Service. Block 8: Getty Oil will be the operator, negotiations with partners under way.

Block 4: Sonangol will be the operator, and the block is said

to bave considerable potential.

Blocks 5 and 10-14 are yet to be negotiated.

Angola has decided to stay out of Opec, for the time being at least. Membership, government officials believe, does not

offer any obvious advantages and, given the country's economic difficulties, it is committed to sell whatever it can produce.

Sr Herminio Escorcio, director-general of Sonangol, believes that over the next few years the function of the state company will expand from co-ordination and supervision to "a more important role in operations, in both current production areas and new offshore hlocks."

But foreign companies, he says, will have an essential part in exploration: "It is unthinkable, both because of the requirements in skilled manrequirements in skilled man-power and particularly the financial capital needed to envisage that Sonangol should be the only company to under-take exploration in Angola which could mean the spending

areas," be continued, Sonangol production sharing agreement in which Texaco (40 per cent) is the operator. The partners are Sonangol, 25 per cent, Braspetro (Brazil), 17.5 per cent, Total 17.5 per cent, 1982 decade."

Sonangol agreement that taken on part of the exploration risks, as it would in the future. "Becoming operator is the most important step that will be taken in the coming decade."

One major project under consideration, in which Sonangol will play an important part, is a petrochemical plant in the Soyo area to produce ammonia and urea. Discussions are under way

with prospective partners from Japan, the U.S. and Europe to build a plant with a daily capacity of 1,000 tons of urea and 1,800 tons of ammonia. Of this Angola can use about 15 per cent, said a Sonangoi official. Provided transport problems could be overcome.

there would be a regional market. "We still need an outside buyer, perhaps in the U.S. or Brazil," he said. Another area in which Sonangol will increase its operations is the distribution sector, currently 80 per cent controlled by the state company.

"This will grow to 100 per cent in the near future," says Sr "Throughout the decade Sonangol will need more tanker trucks and railway tankers, and new ocean terminals in Lobito and Cabinda will be constructed."

constructed."

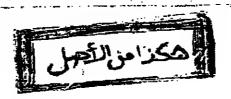
The planned expansion of the refinery, says Sr Escorcio, "will assure us our independence of supplies for the internal market; and later will allow for exports of refined products."

One potential market would be Namibia (South West Africa)—but that rests on the ontcome of current efforts to implement the UN settlement plan based on Security Council resolution 435.

A successful outcome appendix

A successful outcome would transform Angola's economic prospects, for the war in the south of the country takes up around 50 per cent of foreign exchange earnings.

"An end to the war and the doubling of oil production by the mid-1980s," said one foreign businessman working outside the oil sector, "could turn Angola into a major market for



obtained in 1877.

Reagan urged to act on imports from Japan

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

REPRESENTATIVES of the from annihilation by Japanese tels) or policies unjustifiably

Mr Reagan was first formally petitioned earlier this year by Houdaille Industries of Forst Lauderdale, Florida, with a request that he use his authority to deny investment lax credits to U.S. companies buying certain kinds of machine tools from

Japan. Teh demand has now been officially supported by the nationwide Electronic Industries Association (EIA), in view of the high electronic content of the machine tools in questionnumerically controlled machining centres ond numericallycontrolled punching machines.

The industry argues that Presidential action would achieve a number of objectives: First, it would allow the American machine tool industry to compete with Japanese imports on a more equal basis, saving jobs and averting bankruptcies. Secondly, Houdaille says, it

would prevent the undermining of American defence readiness, which would be compromised by dependence on foreign sources numerically - controlled

machine tools, Third, it would send a clear signal to Japan that U.S. Administration does not intend to stand ldly by while Japan largets and picks off major American

industrial sectors. The ElA says that denial of investment tax credits could have a sufficient impact on first nine months of 1981. Japanese imports to force Tokyo to respond in a meaningful way to U.S. trade concerns—unlike the patchwork of largely ineffectual" anti - dumping, countervalling duty and escape

Presidential authority U.S. macine lool industry are order withholding of tax credits urging President Ronald Reagan is contained in an obscure to use what they consider to be section of the Revenue Act of a potent, but hitherto uniried 1971, which says that such weapnn against Japan, tu save action may be taken if a foreign major sectors of the American country engages in "discrimindsutry—and possibly other natory or other acts (including targeted" U.S. industries—tolerance of international car-

> restricting U.S. commerce." The EIA believes that Houdaille has amassed a watertight case proving that the Japanese Government is not only tolerating a domestic and international machine tool cartel, but that over the years it has actively encouraged its formation and

Houdaille's evidence is contained in a copyright petition hundreds of pages long and three-and-a-half inches thick. The evidence is said to have been painstakingly obtained in a series of interviews with senior Japanese officials and

from Japanese documents never before translated into Euglish. Among many other charges, Houdaille says that the Government is diverting millions of dollars-worth of yen generated hy Japanese betting oo cycle and motorcyle races into export industries, including the

industries, include machine tool cartel. Price-fixing in the machine tool industry, it goes on is formally immunised from Japan's anti-monopoly law, and the Government has covertly granled the cartel informal immunity for other practices that restrict competition.

Japan's share of the U.S. market for numerically-controlled machining centres jumped from only 3.7 per cent in 1976 to 50.1 per cent in the

The Japanese share of the punching machine market rose from 4.7 per cent to 37.6 per cent over the same period. The industry says there is a "sub-stantial likelihood" that these trends will continue,

Boeing wins fewer orders for commercial airliners

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT BOETNG, the world's biggest the 767, using the General Elec-commercial airliner builder, re-ceived new orders for only 10 commercial airliners in the pected to receive its Air Certisecond quarter of this year, against 39 in the corresponding

quarter a year earlier. This sharp fall was due both to the world-wide business recession, and to the airlines' nwn financial difficultles.

Nevertheless, Boeing says that it still expects to achieve sales in 1982 of achieve Sabn (£5.2bn) against about \$9.79hn last year, with substantially im-proved sales and profits for military programmes partially offsetting the decline of com-mercial ousiness.

 Bocing's new generation short-to-medium range twin-engined jet airliner, the 767, has now been awarded its Certificate of Airworthiness by the U.S. Federal Aviation Administration, clearing the way for deliveries to United Airlines of the U.S. this month.

The aircraft is powered by Pratt & Whitney JT9D-7R4 jet engines. The other version of

ficate in September.

Despite cancellations and deferment of some orders, Boeing still has an order book for 173 767s, from 17 airlines, with 25 due for delivery by the end of this year. The second version of the British Aerospace BAe 146 four-

engined regional airliner, the Serles 200 alreraft, has now made its maiden flight and has joined the flight test programme. The Series 200 is larger than the earlier Series 100, and car-

rles up to 109 passengers against about 80 in the smaller version. Both versions use the Lycoming ALF-

502R-3 jet engines.

This brings to four the number of 146s in the flight test programme, aimed at winning a Certificate of Airworthiness from the UK Civil Aviation Authority by the end of this

Paris agrees financing for Indian communications

for a comprehensive project for starting manufacture of electronic telephone exrhange equipment in India

exrhange equipment in India
with the help of CIT Alcatel,
the nationalised company.
A memoraodum signed by
Mr C. M. Stepben, India's
Minister of Communications,
and his French counterpart, M
Louis Mexandeau, says that the
French soft credit will help
french the foreign exchange finance the foreign exchange Since the letter of inlent on the project was signed before

May 18, low rales of interest of operation and maintenance will be charged by France for as part of the comprehensive the package which will finance deal.

THE FRENCH Government has a controversial project for agreed to provide FFr 108hn setting up an electronic tele-(£90m) for a comprehensive phone exchange factory of

Half the FFr 108bn will be given by the French Government as a loan and the remainder as huyer credits at the lower interest rate prevailing before May 16.

In addition to the factory and the sale of lines. CIT Alcatel has undertaken to supply techcomponent of the project which mology and help in setting up will cost roughly twice as much, research facilities. The French company of Sofrecam will test the equipment and be in charge of operation and maintenance

Japanese companies sued in U.S. woodchip row

SAN FRANCISCO-A group of Californian lumber companies filed an anti-monopoly suk yesterday agalast 27 Japanese paper manufac-turers and trading companies, affeging they conspired to woodchip export depress woodchi prices in the U.S.

The suit, filed in federal court in San Francisco, claimed the defendants inthree of Japan's largest trading companies. Mitsul, Mitsubishi and Marubeni, and the Japan Paper Manufacturers' Association. It alleged the defendants conspired with each other to depress the woodchip prices and then beycotted a Californian lumber co-operative
The lumber companies
which filed the suit belong to a group based in Eureka California, and called the North Coast Export Co-

operative. North Coast lawyers said the legal action resulted from a controversy which started in February, 1981

The legal action is the second in recent weeks involving Mitsul Its U.S. subsidiary pieaded guilty in 2 San Francisco federal court on July 21 to charges of evading U.S. laws which forbid the selling of imported sicel helow fair market value.

EEC set for protest to Washington on sanctions

By Larry Klinger in Brussels

PROPOSALS for a stronglyworded diplomatic and legal protest to the Reagan Administration over U.S. attempts to block the supply of Enropean-produced equipment for the Soviet gas pipeline project are expected to be presented for approval by the EEC member-states at the cnd of this week.

The European Commission has been instructed by the 10 EEC governments to draw up a comprehensive case against the U.S. measures. Yesterday, legal and trade policy officials began discussions to define the EEC arguments in detail before the U.S. deadline of August 21 for the lodging of formal

While the content of the talks is being closely guarded it is understood that the framework of the protest has been broadly agreed, The final document is

expected to comprise complex legal argument to support the EEC claim that the U.S. measures are:

Tilegal under international law by attempting to impose extra territorially U.S.

legislation on other countries, Probably "at variance" with U.S. law itself.

How Cockfield moved against pipeline embargo

tainty from the companies resident in Britain about where they stand in relation to the U.S. embargo on the provision guods and technology for the controversial Siheria-West Europe gas pipeline.

But it has not told the com- of the embargo damage UK unles how it is possible to trading interests. panies how it is possible to complete the contracts they signed in good faith before the embargo was announced.

This is in the nature of the Act, used to put a barrier between the companies and the demands of the Reagan Administration in Washington. Lord Cockfield, the Trade Secretary, used the only instrument available to him to ward off the embargo. The Protection of Trading Interests Act 1980 was passed in the wake of a series of anti-trust actions in the U.S., involving British

interests, At that time, the main concern was to shelter British companies both from official anti-trust investigations and from private anti-trust actions in the U.S. when the British companies had been acting in accordance with UK law.

So the Act provided for noncompliance with the demands of a foreigo power and it propanies to use domestic courts

THE UK Government, by invoking the Protection of Trading they might have lost through they might have lost through triple damage judgments in the

It is this first and general part of the Act which Lord Cockfield used when he prohibited four companies resident in the UK from meeting the provisions of the U.S. embargo, because it is held the provisions

These four companies-John Brown Engineering, American Air Fillers, Baker Oil Tools (UK) and South International (North Sea) have contracts worth £134m to provide goods for the pipeline, against which the Reagan Administration has waged a continual campaign.

They are the four British companies affected by the U.S. embargo. The other eight which have contracts for the pipeline, accounting for a further £86m of business, are outside what the Reagan Administration considers to be the U.S. judicial

The embargo affects John Brown because it uses U.S. technology, the use of which is banned for the pipeline. 11 is a manufacturing associate of GE, the U.S. turbine maker. It President Ronald Reagan's aides have reacted coolly to Britain's decision to uphold its agreement to help huild a 3.500-mile Suviel natural gas pipeline, AP reports from Dis Meines,

Paul Cheeseright examines a controversial step towards protecting UK trading interests

Mr Larry Speakes, deputy While House Press Secretary, said on Monday: "We regret that the British bave taken this action. We regret any action that has been taken that would weaken pressure on the Pollsh authorities. We will study what the British have done."

Mr Speake's stalement came in response to questions dur-ing Mr Reagan's one-day trip to lowa to visit farmers.

hibited from supplying guods

By using the Protection of Trading interests Act, the UK
Government was doing two
things. First, it was sending to
the U.S. a stronger signal that
the U.S. combat the U.S. embas seeo as an attempt to extend to he met. the reach of U.S. law. The four

affects American Air Filters, off any legal effects this first to be used, Indeed, their re-Baker and Smith because they step might have for the British panies and are therefore con- It has been noted in Whitehall sidered under the U.S. Export that U.S. courts recognise the lusion on the use of the Act Administration Act 1979 to be defence of foreign sovereign between the companies and the "U.S. persons," and hence pro-

If the UK Government orders

legal defence in the U.S. This is important because the Export stringent penalties attached for

exports involved, or five years' imprisonment for thuse transgressing the Act's regulations, or both. At the same time, there are administrative penalties, meaning that the company involved can in effert be cut aff from husiness in the

But the Protection of Trading Interest Act in the UK does not specifically order the companies to meet their contracts in the Soviet Union. Rather, it works

It furbids compliance with the U.S. a stronger signal that the U.S. embargo and provides it would not accept interference for unlimited fines if it is in the working out of contrarts proved that observance of the already signed and in what is embargo caused the contrart not

The four companies them-Second, it is seeking to ward selves did not ask for the Act actions to Lord Cockfield's demixed. But had there been col-

The question now is whether a contpany to do something, the contpanies will be able to then that should be sufficient fulfil their contracts in the

the effect will be in the U.S. It is thought that the three U.S. subsidiaries—American Air Filters, Baker and Smith—are In the case of wilful viola- notm uch dependent on parts tion, the penalty can run to from the U.S. to romplete their five times the value of the products. This would mean that lliey would be little affected by the U.S. Government move last December to stop the flow of

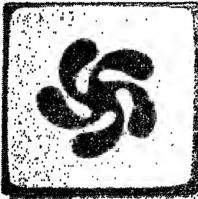
components from the U.S. On such a hasis, their prob-lems with regard to the Soviet Union would seem to have diminished. But this is not the case with John Brown which needs and has so far not obtained rotor parts for 15 turbines from GE in the US.

However, Sir John Mayhew-Sanders, the John Brown chairman, seemed hopeful on Mon-day that the lengthy period be-fore shipment is due would be enough to resolve the clash be-tween the UK and the U.S.

But, at the moment, there seems limie indication that the U.S. Administration is prepared to back away from the embargo. President Reagan said last week that he had no second thoughts

Mr Llonel Olmer, the Com merce Under-Secretary, has been speaking about administra-

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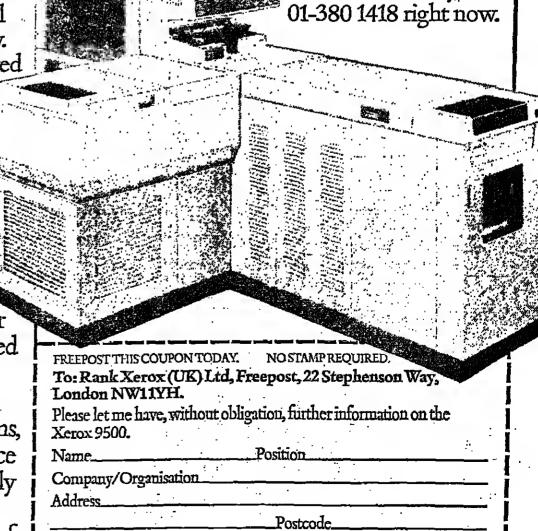
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F.T81.

By David Churchill.
Consumer Affairs Correspondent

ASSOCIATED DATRIES is to close two of its Lundon furniture superstores which trade

under the Ukay name.

The decision to close the two stores—at Olympia in West London and Bow in East London—is a result of the slomp in foroishing sales.

Associated Dairies says hoth stores were loss-making. One of the decisive fuctors in the clusure, the commany says. has been the unacceptably high cost of marketing and admilnistration involved in promoting and managing these two trading units during a deepening phase of the economic recession."

The company could "see no short - term - iikelihaad chaoge in this situation."

The two stores have a total of 160 couplayees and the company says it is making every effort to find Jubs in other parts of the company's furni-ture retailing activities. Allied Carpels and Wades furniture

In the last financial results for Associated, for the 28 weeks to November 14 1981. the company's total pre-lax profits increased frum £22,76m in the equivalent period of the previous financial year to £28.56m. Trading profits from the company's furniture and carpet divisions totalled £289,000 compared with £1.95m in the same half of the previous financial year.

Audio-visual sector faces fall in profits

Many suppliers of professional audio-visual products and services in Britain are suffering a severe squeeze on profits which contrasts with the enormous growth prospecis facing the industry as whole, according to a report hy ICC Business Ratios.

The report analyses the performance lictiveen 1979 and 1981 of 60 UK-hased companies whose principal husiness is in industrial and educational markets.

It forecasis that their recent difficulties will out-last the recession and that foreign manufacturers - notably the Japanese-will increase their share of the Brillsh market hy introducing new products.

Fifteen of the 60 escapanies made losses in 1980-81, Five of the loss-makers were among the 10 largest com-panies and included the industry leader, BASF UK. Only two nigger companies, Bell and Howell and Ofrex, made consistently high returns hetween 1979 and

Smaller companies have performers in lernis of profit since 1979, seven had average luruover of less than £2m annually. But by 1980-81, three of the len had moved

ICC Business Ratios, 24-82 Banger Street, Landon ECI.

Mowlem picked for Preston Dock plan

JOHN MANULEM has been selected from a shortlist of contractors for the 255m redevelopment of Freston Bocks at Preston, Lancadire.

Presion berough council has invited Mawtern to conentite an agreement to proviac appung centre, leisure facilities, an moustriai estate and 1,000 lowcost homes on the sof-acre dock site, waten closed in

ke la haned development win heghi early next year and that on completion it will prayide as to 2,900 lons. with potential site occu-

Post Office offers discount

THE Post Office is to provide up to 12 per cent discount on first class mail for companies - providing they pre-sort the letters and use posteodes. The minimum number of letters to be eligible is 5,000 which will now cost £682, a reduction of

A similar 12 per cent discount is already available on second class post which has been used by 70 companies. A 30 per cent discount is available for pre-sorted non-priority mail which may take up to seven days to delirer.

Call for higher death grant

THE DEATH grant should be abolished allogether if the Increase the death grant to a the Weish Consumer Council in Cardiff.

The council has told the Government that the present death grant of £30 was set in 1967 and now covers less than one tenth of the average cost of a funeral.

The council pants the grant to he increased to £195 and he available to everyone. Failing that, the grant should

Lotus and Rolls-Royce take different highways

LOTUS CARS and Rolls-Royce are ending their joint dealer-ship agreement in the U.S. mar-

The agreement, which Lotus cars have been sold through Rolls-Royce's 70 dealers is only about two years old. It was set up after Lotus decided in 1979 to sever links with its theo-independent U.S. distributors "in view of past omissions." The company sought to establish its own distribution system, but made instead the agreement with Rolls-Royce at the start of

of the whole U.S. arrangement ut £279,000. Mr Colin Chapman. the chairman, said at the time, "the marketing of our product through an established dealer

John Griffiths on two car companies ending joint U.S. distribution pected to be mutually advan-

A statement from Loius yes-terday gave little indication of why the agreement had ended.
It said only, "while we regret
this change, Lotus believes it is
essential to concentrate exclusively on its own marque."

New distribution arrangemeots are to be announced shortly. Rolls-Royce Motors Inc. the U.S. sales company, will continue to look after Lotus parts, accessories and warranty during a transition expected to last three to six months. Kimberley.

Michael

other directors were unavail-able for comment yesterday. The company which is based at Hethel. Norfolk, is on its sunmer break. Rolls-Royce would say only that the agreement had ended "by mutual consent."

The U.S. developments come when the outlook has been hrightening for Lotus, which suffered a sharp sales slump in 1980 and the first half of last year. It has yet to report results for all of 1981, and did not disclose its interim figures until the start of January; but, commenting on the sharp drop in in 1980. A key factor, however, interim pre-tax profit to £28,000 is that the high slock levels

network of this standing is ex- Lotus's managing director, and from £314,000, Mr Kimberley said Lotus was on course for "very significant improvement."

This appears to he so. UK sales, which totalled 128 in the first half of last year, rose to 197 in the second half and 200 were recorded in the first half of this year. Sales in the U.S.—which took 40 per cent of output as recently as 1979—and elsewhere abroad have revived with the decline of sterling against the dollar.

The company's planned output of 750 cars this year com-pares with 380 last year and 450

which hull up in the early days of recession have been eliminated. Behind the scenes, there are improvements which extend

beyond the hald figures of car output.
Much more emphasis is being placed on contract engineering services for outside companies. The bandful of contracts at the start of last year has grown to more than 30—only about half of them associated with the

ransport industry.
Productivity has improved to the extent of reducing the cost of every car built by £2,000, mainly as a result of rationalisation of com-

AN artist's impression of the

agreement signed with the Japanese manufacturer last year. It is expected to cost less than £10,000 at 1981 prices. When it is added to the current range, Lotus should be turning

ship to replace the Atlantic Conveyor, sunk by an Exocet missile in the Falklands, were turbine-driven prede released yesterday.

The ship will be built in the Swan Huster yard of Tyneside and work is ex-

pected to begin in the It will cost £40m and will be able to earry 1,800 cars, as well as trailers and three times as many containers as

the Atlantic Conveyor.

The ship will be fitted with a slow-running diesel engine.

out about 6,000 cars a year hy 1985. Fuel consumption will be 73 tonnes a day compared

anical parts for Lotus's front— and mid-engined car ranges are interchangeable.

About 1,700 components, which used to be bought from

Lotus is going ahead with

plans for a new, cheaper sports car—which might be launched

late next year, or early in 1984
—with Toyota engines and gearboxes as part of a co-operation

The Ministry of Defence is understood to be contributing

with 200 tonnes a day by its

The ship is likely to be fitted with strengthened decks for helicopters. A Harrier take-off ramp and scating for guns and mine-detecting equipment may also be fitted. Cunard has agreed the ship can be used for Naval exer-

Revenue top of the complaints

MORE COMPLAINTS to the Conhudsman against the Inland Revenue than against any other Government department were upheld in the three months to the end of Mar, according to delayed, the latest report from the Ombudsman, the Parliamentary Commissioner for Administra-

tion, published yesterday. Sir Cecil Clothier, the Com-missioner, received 12 com-plaints from people dissatisfied with actions by the Inland Revenue.

Five of the cases were up-

held by the Ombudsman, Cases covered in the report concern an application for renewal of a sub-contractor's tax certificate. an undertaking to review tax assessments, and two cases of

of property.
In the first case, a woman complained that, three years last six months. after her, husband had taken | . Mr Melchor has for some time steps to put his tax affairs in heen keen to establish a fund order, the Inland Revenue had with private sector money belatedly demanded substantial which would he free to invest arrears of tait. In one instance, anywhere in the UK. the demand was made nine But his plans, he said, had years aller the financial year in heen delayed by "hurtful critiwhich the lax was due.

The chairman of the board management of the Inland Revenue ack- rewarded by the Anglo-Amerinowledged to the Omhudsman can fund. l not recels enlitted. He asked the Omhuds aim has been to try and beln man to convey to the compatible country and I have no inplainant and her busband his terest in the management compersonal apologies. In recogni- pany. It is owned hy my family. Ioland Revenue decided to profit in the fund, which is half forego the balance of the what any other company would schedule-D tax arrears of do I for in the U.S.

launch is delayed

By Tim Dickson

THE LAUNCH of a £10m capital fund for taking high-risk equity stakes to new UK com-panies, which was due to take place next month, has been

hehind the new project, sald he pects many months ago. was upsel by recent newspaper; Consultants Keplinger and crilicisms of the £2m Anglo-, Associates, believe that oil and American fund which he manthe British Technology Group. Mr Melchor said recenlly that

the fund; which is financed by laxpayers' money, had been hampered by what he saw as neurs in the North of England. The fund is restricted to makincreases in the rateable value inc investments in the assisted areas hut has not found any suitable projects to back in the

cism" of the way in which his company

am The service to which he was has happened." he said. "My tion of the mishandling, the They get 124 per com of the

"I should add that I pay half Partiaoientory Commissioner my own travelling expenses to and including findings of a joint recommendation and nominafor Administration: fifth report, come to the UK, which costs working party, members of session 1981-52; selected cases around £20,000 to £25,000 a which included representatives of the three main political party. On personal recommendation

Capital fund Tricentrol buys U.S. energy properties

BY RAY DAFTER IN LONDON AND RICHARD LAMBERT IN NEW YORK

TRICENTROL, a UK indepen- nel acres of undeveloped leases. dent oil group, is paying £25m diversify away from the North ana, Caplen and East Midway

The supplied of the supplied o

The deal is with Coral Petroleum of Housion, Texas. It marks Tricentrol's first significant acquisition of reserves Mr Jack Mclehor, the Ameria in the U.S. since it began terests. The company had ear-can venture capitalist who is searching for take-over pros-markes a £35m exploration

gas reserves invulved in the ages on hehalf of the National acquisition amount to the Enterprise Board, now part of equivalent of 4.6m barrels of crude oil. The reserves in- its main producing interest clude developed and undeveloped resources and are providing Coral with about 400 trol's chief executive, said yes-barrels of oil a day and 2.4m terday the group intended to cubic feet of natural gas a day. The assets comprise interests in 233 producing wells, 22 wells better for the rapid develop-

BY LISA WOOD

people on public bodies, appoint-

hy Ministers on the advice of

departmental civil servants.

THE OLD BOY network was ties and the EOC.

clied resterday by the Equal Measures recommended for Opportunity Commission as one Implementation include adver-of thereasons women are under-tising public appointments in

represented on public bodies women's magazines, encourag-

Women, at the end of 1981, women's appointments and a made up only 23.3 per cent of publicity campaign to explain

Sixteen measures to redress got on the list of those willing

the balance are suggested in the and able to serve on public

report, published by the EOC hodies. These included personal

ments to which are mainly made involved in public life.

Most uf the properties are in for un and gas interests in the Little Bay, Little Pecan Lake U.S. as part of a move to and the Ossun Field in Louisi-Texas and the Elsmore area in Kansas. Tricentrol said the deal

formed part of its strategy to North American budget for North America this year. It wanted oil and gas production prospects that could increase output and prospects the North Sea Thistle Field began to decline next year. Mr Graham Hearne, Tricen-

terday the group intended to emphasise exploration outside the UK where prospects were heing drilled or awaiting de-velopment and about 106,000 that between 40 and 50 per cent

such as Royal Commissions and ing government departments to professional associations wanted advisory committees.

women's appointments and a

how women can become more

The report said there were

three main ways in which people

Why women lose out through the old boy network

North Sea. The rest would be in other parts of the world, particularly China, Australia and New Zealand. "We are a British Indepen-

dent company and the North Sea is in our back yard," said Mr Hearne. The tax rate on UK. production was unattractive and investment opportunities were better in the U.S. Deep water development in

the North Sea meant it took longer to exploit discoveries there than elsewhere. Tricentrol had interests in discoveries close to the Thistle Field, but these were nulikely to be brought on stream before the

He added the company had minority stake in a Union Oil discovery in the West Cameron block of the Gulf of Mexico

system and are not members of the old boy network."

Similarly nominations from professional associations were

executive committee or council

level and women are not fre-

frequently found at this level

membership.
In all, the report said that

of the 874 bodies covered in its

survey a total of 304, including the British Overseas Trade

Board for example, bave no

women members at all and a

in associations with mixed sex

of the group's investment would be aimed at North America and about 30 per cent at the UK mates suggest West Cameron should yield up to 100m cubic ft of gas a day.

> total \$45m (£25.6m) of which \$40m will be paid in instalments over the next seven years. Promissory notes will carry a 12.5 per cent interest rate. The \$5m balance will be covered by the issue of convertible preferred stock with a coupon of 9 per cent. This stock will be convertible into Tricentrol ordinary sharea at a 20 per cent premiun

over the market price. Mr David Chalmers, founder and bead of Coral, said the sale would enable the company to expand its refining and marketing operations. Tricentrol would supply crude oll to Coral's refinery in Pennsylvania. Coral reported revenues last

year of \$5.8bn on assets totalling

Committee on Sexual Offences.

The report said: "It is the

working party's view that the

bias against women, and bat

suitably qualified and exper-

lenced women could be found

if positive action were taken to seek ont appropriate women for

appointment and the criteria for

Women and Public Bodies:

Joint working Party Report.

Available free from EOC, Overseas House, Quay Street,

selection were widened."

number

small

The Coral deal involves Although the 15 MW, diesel-

LORNE power stations.

runs on residual fuel oil, one of the cheapest grades, an EEC directive now discourages the use of oil for power generation.

This has led to the choice of dual system for Fort Dunlop, where the plant will employ two 15,000 hp diesel engines, to be bulk under licence by one of three UK manufacturers, and the hot exhaust gas from the diesels will be used as primary air for coal-fired boilers. Direct éngine heat will also be used to the list—the report sald: on only two public bodies—the "Women are not good at this EOC and the Police Advisory

hy means of heat exchangers. Mr Lycett said: "We also have the option to install a third diesel, which would increase heat availability for Dunlop or for other companies in the area.

It is estimated that the reduction in fuel costs at the Dunlop plant will easily exceed £3m a year. Environmental advantages will accrue through closure of much of Dunlop's

The civil contract for the new station has gone to Sir Robert

McAlpine.
The board is not prepared to rest on its laurels. It has built up a 17-member project team which is probably the most experienced in the country and

Mr Lycett pointed out that future CHP plants will be coal-fired, and his team has been working with GEC Gas Tur-

Germany, Another project which inter-Another project which interests the Midland board is the possible conversion of an obsolete Central Electricity Generating Board (CEGB) power station at Nechelles, Birmingham, into a CHP plant. The station, which has four, 50 MW steam turbines, is ont of commission, but if one of the commission, but, if one of the turbines could be converted for steam production, up to ten

and discussions were going ahead. He estimated that the anead. He estimated that the necessary pipes would cost the board about £2m. The board would buy the steam from the CEGB and sell it to the companies concerned, almost certainly for less than self-generated steam. The attitude of the CEGB has been favourable so far, because the scheme able so far, because the scheme would provide a return on redundant plant.

There might be about 100 locations in the UK where CHP plants of not less than 50 MW, would be able to offer low-cost power generation, Mr Lycett believes. He added that France, Germany, the Netherlands and other continental countries were building them more

Insurance Ombudsman cases double from 1981

CASES DOUBLE FROM 1981 THE Insurance Ombudsman, received by the bureau in the air James Haswell, received first six months of 1982, of nearly 100 cases of insurance which 570 referred to insurance complaints for adjudication in companies which are members the first six months of this year -double the number received to the nine months of 1981 that Insuraoce Omhudsman Bureau was in operation.

He has made a decision in

71 of these cases. The bureau was established at the end of March last year hy three composite insurance groups - General Accident. Guardian Royal Exchange and Royal losurance — lo provide independent conciliation and adjudication of disputes he-

A lotal of 1.350 inquiries were

The chief areas of complaint related to motor, followed by huilding and then house contents insurance. The number of relevant life assurance claims is still relatively small. Only one of the 100 referred cases related to life assurance.

The council to the bureau announced that three insurance companies have joined the hureau - Hill Samuel Life. National Mutual Life and the tween the public and insurance TSB Trust Company-bringing

Tourist test at the tower - with a capital 'T'

BRITISH TELECOM yesterday placed a 5 ft, illuminated letter "T" on the Post Office Tower, London, in an assessment of its fulure as a tourist attraction in the capital.
"The trial will help to de-

termine visibility and will enable the local planning anthority to see what is intended." BT said as the "T went up on the 37th floor, near the top of the 620 ft

Meanwhile, a team has been hriefed to study whether the public can be readmitted to the tower-once one of London's most popular tourist attractions, it says. And although the building is well Post Office tower, BT is still inisting on trying to rename it the London Telecom Tower. The Post Office tower was closed to the public in 1971 after helpg hombed by the Angry Brigade.

The revolving restaurant at the top was run by Bottins until it closed in 1980, when the lease ran oot. Lifts have to he replaced and reconstruction work carried out before it can be reopened—probably not until the middle of 1984.

BT says the two main lifts in the tower made 55m journeys — equivalent to 400,000 miles between 1965. when the tower opened, and

association membership BY WILLIAM HALL, BANKING CORRESPONDENT AMUEL MONTAGU.

further 159 had only one woman Overseas Ho each. Women outminder men Manchester.

Montagu to retain trade

Aetna Life & Casualty plans to take a 40 per cent stake, is to

retain its membership of the Accepting Houses Committee, the trade association of London's leading merchant banks. Midland Bank, the parent of Samuel Montagu; sanounced

last month that it was selling a 40 per cent Interest in Montagu to Aetna for £66.1m. When an accepting house changes bands the committee normally reviews its membership. This was discussed at a meeting on Monday and the 15 members decided that there should be no change in Montagu's status. Over the last few years two

the merchant banks, Anthony Gibbs London merchant bank in which and Arbuthnot Letham, have Aema Life & Casualty plans to been forced to leave the Accepttheir takeover by overseas banks. There had been some suggestions that Montagu's continued membership might be threatened given the sizeable overseas stake that Aetna will

> Although some other accepting houses have small oversees shareholdings, Aetna's stake is the biggest in any accepting house.

> Some of the privileges accorded the members of the Accepting Houses Committee have been eroded during recent

SDP favours local candidates in parliamentary selections

BY PETER RIDDELL, POLITICAL EDITOR

LOCAL RESIDENTS and pro- Labour Party before, and others Liberals (although there are thirds of area party members men and two women, with 280

nomenon. Never hefore has a group in the SDP.
national party picked all its caodidates within just a few a half of the members have months, nor bas any party generally voted in the postal involved all its members in vot- ballots and, according to some

ing hy postal hallot.

Nine candidates hare been chosen so far — about half the first balch-with dozens more likely to be selected by mid-

The state of the s

Features of the first seleclions have been: • Local candidates have generally been picked. Some

The selections will be one of the clearest indications of the party's character and will constitute a unique political phetical p

reports, attendance at selection has been even lower. Only 30 It is too early to draw firm conclusions hecause few of the nine seats are regarded by the SDP as particularly "winnable." The SDP has to find just over

300 candidates under the agreed

the Social Democratic Party's • All nine selections have been drawn up earlier this year, selection of parliamentary caomen, although each short-list Short-lists of at least six are must include at least two prepared by the committees of local area parties, which generally cover several parliamentary constituencies.

A series of selection meetings are then held before all mem-bers of an area party, and not just in the particular con-stituency, vote by postal hallot. This differs from the much smaller selection conferences. often of only two or three dozen people, in the Tory and Labour The selections were in:

Gower-Mr Gwynoro Jones,

the former Labour MP for Carmartheo, was picked from a

short-list of five for the forth-

fessional people have been have had no particular back-favoured in the first round of ground in politics.

The Social Democratic Party's All nine selections have been drawn up earlier this year.

Avoted. panel of about 1,200 people was the former Labour drawn up earlier this year. MP for Ashfield and an SDP

national leader, was picked from a short-list of three men and three women, with about half the members voting, Uxhridge—Mr Peter Russell, aged 45 and a former Labour councillor, both in Hillington and on the Greater London Council. He was picked from six men and two women, with about one-third voting.
South Shields - Mr Peter

Angus, secretary of the South Tyneside area party, was picked, with about half the members Honiton-Mr Alistair Sampsnu, aged 50, a former barrister and now an art and autiques

dealer in the area. He was

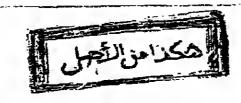
voting out of 750 members. Exeter-Mr Stephen Mennek.

a university lecturer and a former Lahour candidate, was picked from six men and two women. The voting percentage which is in the same area party. Bury South-Mr Keith Evans, aged 26, a Greater Manchester County Councillor and an econ-

emist, was chosen with 27 per cent of members voting. Dover and Deal-Mr Geoffrey Nice, aged 37, a barrister, was picked with 200 out of 650 members voting.

Thanet North - Mr Bill McMillan, aged 33, a university lecturer not previously involved in politics, was picked on the same turnout as in Dover, liave been involved with the sbare-out of seats with the coming by-election. Nearly two- picked from a short-bist of four which is in the same area party.





Power and heat from a single source

THE MIDLAND ELECTRICITY outside suppliers, are now brought in-house without add-ing staff—the 1,000 employed in 1979 has been halved. Board's long campaign to build more combined heat and power (CHP) stations, which save substantial amounts of energy and can also benefit industry. seems at last to be attracting

national interest.

The board recently announce that it is to construct a £14.5m CHP station at Fort Dunlop in Birmingham to provide vir beat required for Duniop's tyre making there. The heat will be supplied at a considerabile lower cost than Dunlop can achieve through its present system. The new plant—of revolutionary design, in that uses oil and coal with also When it comes into operationir in 1984, 12 years will havon passed since such a scheme way first suggested by the board is which overcame a series oks

bureaucratic obstacles whe approval was given recently b Mr Nigel Lawson, the Energ Mr John Lycett manager o the board's CHP unit, pointe of out that the frustration have been made more acute by the existence of the 1957 Energis

Act's requirement that board "examine situations where heat products can be usefully The failure of almost alikboards to comply with the of aspect of the Act is now under the spotlight of a Common select committee, to which Ma Lycett has given evidence, and there is increasing interest in the board's success in this

Britain's first and only CHP station was built by the board at Hereford. Since 1980, it has saved about £1.5m a year in [1 fuel and provided cheaper heat for H. P. Bulmer, the cider company, and Sun Valley, a poultry concern.

BARLING examines the Midlands Electricity Board's plans for combined heat and powered station at Hereford

appointments does indicate a adjoin the site may prove

attractive to companies wanting lower-cost heat"

heat-generating plant.

has the full support of Mr John Wilson, the chairman.

bines on a system to feed pre-heated air into turbines which, in turn, drive a generator. Exhaust gases would be used to assist steam-creation for a second turbine, with an eventual ontcome of use of energy at 80 per cent efficiency. This com-pares with about 35 per cent in a conventional power station. This system, which need not require new technology since suitable turbines are available, is already used in Sweden, and a similar plant is to come into operation soon in West

nearby companies could benefit.

Mr Lycett said that the companies, including a number of big industrial concerns, bad all shown interest in the scheme.

rapidly than the UK.

Power a

Heseltine 'undeterred by Toxteth hooligans'

"HOOLIGANS" IN Liverpool's Trixteth district would not stop moves to improve the area. Mr Michael Heseltine, Environment Secretary, warned yesterday.

But he added: "I am not in the miracle business."

Mr Heseltine attended a Press conference in Manchester the day after he was pelied with eggs and tomatoes in a visit to Liverpool on Monday. He described the attack as

" monstrous." Heseltine Manchester as part of a tour of major cities to show local authorities and husiness people what he and his team had done

People do look for miracles, but I'm afraid I am not in the miracle business. I have to live in the real world.

Throwing eggs did nothing to affect decisions. It was a deplorable way to go about political dialogue.

Mr Heseltine warned the "deplorable hooligans" he would be back in Merseyside as soon as possible to continue

These deplorable hooligans who are children and teenagers do nothing to serve the com-munity and put off a significant number of people who are beginning to try and help in

those areas.
"It doesn't put me nff because we have to keep going and carry on with our policies," he said. Mr Heseltine said he was dismayed about the state of the inner cities and how they had

decayed in the past 70 years. "We live in a world where neanle want instant solutions, but they bave to remember that what we are doing is going to require very large efforts by a large number of people over a

very long time." The police had done an "immensely impressive" job getting back on the beat. They had contained rioters in the last few days and since the riots last year. Mr Heseltine said.

Youths in Liverpool's Everton district last night pelied motorists with stones and barricaded a road with

Police in riot gear dispersed the youths in St Domingo Road. A Merseyside police officer said yesterday: "There was no great confrontation. The actual trouble in St Domingo Road lasted only about a quarter of

Alfred Herbert has lathe success

ALFRED HERBERT, the Coventry machine tool-maker, last year, to take an overall Japanese machine tools can be market share of about 25 per stemmed.

The UK machine tool market as a whole shrank by 29 per cent in 1981, but Alfred Herbert's new line of computer numerically-controlled (CNC) lathes secured a growing share of the domestic market.

There are indications that imports have regained some ground this year, but the company is confident that it will be able to hold its share of the

WHILE much of the UK machine tool industry is still reeling from the most severe recession it has ever experienced, the Beaver company in Norwich is confidently predicting that sales will be up by one third for the second year running during the coming 12 months.

What makes the small Norwich company remarkable Is that it has pushed turnover up to £4.8m in the financial year to April 1982, and inrued in a modest profit against overwhelming competition from much bigger businesses. particularly in Japan.

Mr Tony Balding, the 35year-old joint managing director, is the moving spirit hehind Beaver's latest successes. He pointed out that while the UK machine tool ludnstry exported some 70 automatic tool changing machine centres last year, the Japanese exported 4,800.

He estimated that there were at least ten Japanese companies selling more than computer controlled machine centres a month while Beaver made less than 100 a year.

The near collapse of the British market for machine centres has pushed Beaver into the export field and the Japanese are the number one competitors in all the markets the company has tackled. In the home market we can go hard on the service aspects. But overseas we have to stress the technical

features, the quality, and the attractiveness of the financial package we can put tegether," said Mr Balding. "But in the end, it is more of a commercial decision than a technical

Mr Ron Lyneb, chairman of Alfred Herbert, said: "We bave that British-built estimates that if more than machine tools can compete with doubled its share of the UK any in the world, and have down by 35 per cent and high-technology lathe market shown that the influx of Japanese imports by 46 per

> duction in interest rates to tools, and urged the Government to pursue incentive grant

the Machine Tool Trades' Assoas a whole continued its rapid decline, sales of British-made, computerised turning machines went against the trend.

Orders for British-made, hightechnology turning machines showed a 40 per cent increase in 1931. Total imports were

Alfred Herbert's turnover is He said that manufacturing expected to reach £24m this industry needed a further re-year, compared with £16m in duction in interest rates to 1981, thanks largely to the four enable it to invest in machine new computerised machines introduced since 1980. A fifth will be launched next mouth.

On the other hand, the export The 1981 figures published by market, which accounts for some 20 per cent of total sales, has ciation showed that, while the heen poor. Alfred Herbert machine tool market in the UK hlamed the downturn in the hlamed the downturn in the U.S. market for its decision to put two-thirds of its 900 cmployees on short-line from this

A small Norwich-based company is standing up to the recession—and Japan. Mark Webster looks at Beaver's success formula.

Beaver finds it difficult to compete on a purely cost basis with the Japanese. In the U.S. market, which is vital to Beaver, the Japanese had stocked thousands of machines in anticipation of an upturn, Mr Balding said. Ahout one third of Beaver's sales are to export markets and of those nearly half are

Mr Balding was critical of the Export Credits Gnaran-tee Department which he said did not respond fast enough to appeals from smaller companies where a few days could make the difference heween winning or losing an

A small company could only get an edge in the highly price sensitive market hy keeping a tight rein on pro-doction, he said. At Norwich, the 210-strong workforce has proved flexible on manning, stock and work in progress is kept to a minimum and the range of products is kept as smalt as possible and aimed at proven markets.

The major change in recent years has been the introduction of three new bed-type computer numerically controlled (CNC) machines which offer greater flexibility in the manufacturing process than the old "knee" type the old "knee" type machines. Next year. Beaver will introdoce its firist horizoutal machine centre.

The new models means that CNC and NC machines account for some 80 per cent of turnover. The remainder is stil in the manual milling machines developed from the company's original product.

Beaver has tried to remain competitive by hringing manufacturing needs in-house. It recently set up a sheet metal fabrication section work which had previously been

But electronics has to he hought from its arch-rival, the Japanese. The CNC controls were bonght from Fanne and Yasnac of Japan, Mr Balding said, because Britain's specialists such as GEC were not as well trusted as the Japanese and could not offer the same back-np facilitles.

Beaver believes that by using the latest Japanese technology and concentrating on a limited number of multipurpose machine tools it will

Alfred Herbert is the rump of the machine tool group which was spllt up and sold by the Government in 1980, after the Government decided not to put any more money into it.

The privale company Tooling Investments, based at West Bromwich, took over the lathe manufacturing and tool reconditioning operations and in-vessed about £6m to initiate a medical checks will be made product line and improve pro- more rigorous as a result of the ductivity.

Alfred Herbert made a substantial contribution to Tooling last June of doctors' notes for Investments' four-fold increase in profits for the year to July Mr Lynch said he was confident that Alfred Herbert would continue to make a sig-

he able to continue its impressive growth pattern.

Beaver's secret scems in he;
that it gets a great deal done using minimal resources. Nothan in the computer room where about £50,000 has been invested in a largely bome-

hullt system.
Mr Joe Booth, the manufacturing manager, estimated the system had saved the company £150,000 hy cutting stock levels and speeding work in progress through the factory, considerably casing

the company's cash flow.
"The company was suffering from growing pains. Sales were going up but the complexity of the manufacturing operation was Increasing even faster. The machine shop was making stuff the fitters didn't need and the fitters were asking for stuff the machine shop making," said Mr wasn't

The Beaver answer was to instatl some 16 mini-com-puters around the factorysix of them on the shop floor. These were fed a breakdown of everything in store and everything needed for the smooth flow of production.

The company's computer room looks more like a haudyman's workshop. Computer operators bulld their own systems from bought-in parts. The company now has a

more sophisticated computer system than it could otherwise have afforded. In future. Mr Balding said, more money would be spent on the ecuputer while improvements would be made to the company's machine tools and to increasing productivity.

Changes 'likely in sickness policies'

By James McDonald

COMPANIES will be less will ing to recruit employees with poor or indifferent health introduction next April of statutory sick pay and the abolition short periods of illness.

This forecast is made by the latest issue of Monks Guide to Company Provisions for Sickness and Ill-health, published nificant contribution to group today. The guide—based on profits. tions employing over 250,000 people—says that, atthough only 19 per cent of the com-panies, surveyed planned to chauge the level of sickness benefit during the next 12 months, "all are faced with major changes to administrative arrangements.

At present, 16 per cent of companies in the survey had only two or three questions about health and absence from work in their standard applica-tion forms. Another 22 per cent had a separate medical questionnaire and 31 per cent gave all emptoyees a full medical.

In redesigning short term illhealth schemes, says the guide. companies should consider the impact of the introduction of

statutory sick pay next April.
"Depending on the proportion of single and married employees, employers' sick pay costs are likely to rise by about per cent even if no change is made in benefit levels. Employees will see their sick pay fall by 12 to 17 per cent." The guide finds that provisions for long term ill-health remained predominantly a

senior management benefit Company-financed medical insurance schemes were largely senior managers, says the guide. Voluntary schemes were popular in large companies and many insurers had offered attractive terms to companies which encouraged employees to parti-

"However, some companies expressed concern at the level of claims and the consequent inevitable rise in premiums." Monks Guide to Company Provisions for Sickness and Ill-health 1982-83, by Tony Vernon-Horcourt, Monks Publications, Debden Green, Soffron Walden.

Burroughs revamps management for **UK** expansion move

BY GUY DE JONQUIERES

British subsidiary of the U.S. computer manufacturer, yestermarked the start of expansion

Mr Robert King, 53, a former hief executive of Scottish and Newcastle Breweries, has been appointed managing director of Burroughs Machines. He replaces Mr Laurie Rushton, 56, who has taken early retirement after two years in the post.

Mr King, who left Scottish abruptly last March, has no experience in the computer in-dustry. Burroughs said his appointment was consistent with the policy of Mr Michael Blumenthal, chairman of the U.S. parent company, of recruiting professional managers to key positions.

David O'Brien,

BURROUGHS MACHINES, the formerly managing director of subsidiary of Cray Research, the scientific comday announced a senior man- puter manufacturers, has been agement shake-up which, it said, named Burroughs' UK director of sales and marketing. This is a new position.

Burroughs employs 5,000 people in Britain and has six UK manufacturing plants. It is due to onen a business forms shortly and plans a £10m computer training centre in Milton Keynes, Bucks.

The company has reported falling profits for the past three years. Its pre-tax profits for the year to November 30, 1981 were £15.3m nn sales of £163m.

Burrough's request for an in-junction against the decision by Regional Authority to award a large compuler enntract to Britain's ICL Appeal last month.

Prior raises doubts about De Lorean rescue plan

BY OUR BELFAST CORRESPONDENT

MR JAMES PRIOR, the vesterday voiced his concern about two major industrial projects in Northern Ireland which have run into difficulties. He said he believed the chances of rescuing the De

Lorean sports car operation, now in receivership, were about even, if as good as that." No money has been forth-coming from Mr John De Lorean, the U.S. founder of the company, despite his frequent claims to have raised finance to

re-acquire the Belfast assembly Talks between the receivers and UK consortium were continuing but, said Mr Prior, he did not want to raise hopes which might not be fulfilled. The receivers would decide which bid was best for the com-pany, when bids were made, he

Mr Prior was also "apprehen-sive" about Lear Fan, the U.S. backed company preparing to build a carbon fibre executive nircraft near Beifast.

The company has begun a Northern Ireland secretary, two-week scheduled holiday after laying off 560 Northern Ireland workers while 400 U.S. workers have been sent home for a week because of a cash shortage.

Mr Prior said ttbe company's future depended on raising sufficient private capital in get into production. He hoped the problems of raising finance would he overcome.

His comments were made during a visit to Short Brothers. the Government-owned aircraft factory at Belfast. The company has rolled out the first production model of a 36-scater comnuter airliner three weeks ahead of schedule. It has 27 orders and options for the air-craft. Deliveries will start in November.

Mr Prior said orders for engined podding work at Shorts and for its aircraft bad been slowed by the recession in the sirline industry but the company was keeping within its financial targets.



Nurses expected to reject Government's 7.5% offer

BY IVO DAWNAY, LABOUR STAFF

College of Nursing believe the organisation's 185,000 members in the National Health Service will vote to reject the Governpay offer in the bailot now underway.

A further rejection would ooost the morale of other NHS workers in their three-monthold campaign for a 12 per cent

Evidence of the Government's concern over the result of the ballot-due on August 26-was demonstrated yesterday wheo Mr Kenneth Clarke, the Health Minister, made a renewad appeal to RCN nurses to accept

Mr Clarke indicated that the Government would be disappointed by another "no vote following the rejection of a 6.4 per cent offer by a margin of two-to-one in June. He added: "I ought to make it clear that aoother 'no' vote will not produce any more money from

case for acceptance in a series of advertisements in nurses' sustained campaign by Depart- terday that both she and her made.



Kennath Clarke: no more money available

ment of Health and Social Serthe Government."

vices officials appears to ba
The Government is to put the making little impact on NHS

workers.
Miss Val Cowie, RCN indusmagazines this week. But the trial relations officer, said yes-

officials in the field were en-countering continued strong opposition to a settlement.
She added: "Various people

in key positions in the organisation think it is highly likely it will be another 'no 'vote.
"While it has to be recognised that people who reject tend to be more vociferous, 1

haven't noticed any shift of emphasis from the sort of letters we got opposing tha 6.4 per cent Commenting on the Health

Minister's warning that no fur-ther maney would be available. Miss Cowia added: "1 really wonder if they can disregard the viaws of 185,000 nurses in the NHS not to mention those in other unions."

Members of all 11 TUC health service unions are launching a five-day campaign of intensifiad industrial action from Monday in a bid to maintain momentum. It is widely acknowledgad.

however, that the result of the RCN ballot will have a profound effect on the outcome of the dispute. Many union officials be-lieve that if RCN nurses again reject the Government's offer, further improvements will be

iobless considered

PROPOSALS to give the long-term unemployed training in basic taxation and hanking to stimulate the growth of small businesses are being considered hy the Manpower Services Commission, the Government's employment services agency. MSC leaders are considering

four or five-day courses on other benefits.

Value Added Tax, bank accounts and bookkeeping.

The proposal to the new Courses. counts and bookkeeping. to the new Community Pro-MSC officials believe there is gramme Scheme for the longlittle prospect of large term unemployed, announced employers doing much more by the Government last week.

than shedding labour in the much greater prospect of

starting small businesses from the loss of unemployment and The proposals are in addition

The commission believes that foreseeable future. Theer is a between 175,000 and 200,000 of Increasing employmentt brough benefit from the Community businesses of 50-500 employees, Programme Scheme.

the Enterprise Allowance Scheme, for which pilot schemes

are in operation. It provides an allowance of £40 a week for up

to a year to help cushion people

Holiday flights cleared

STRIKES BLAMED FOR INDUSTRY'S PARLOUS STATE

Sealink confident settlement will stick

By Brian Groom, Labour Staff

SEALINK UK ferry sailings were almost back to normal last night after 3,500 members of the National Union of Seamen called off their dayold national strike.

But potential differences of interpretation of the peace formula emerged between management and the union. could nitimately jeopardise the deal, although Sealink was confident yesterday that it would stick.

The stoppage was called in support of some 500 NUS members at Harwich, who have been on strike for four weeks over the company's demand for savings on staff

Harwich seamen voted vesterday by 400 to two to call off the strike and accept a formula threshed out between NUS leaders and Sealink yesterday at the London headquarters of the Advisory, Conciliation and Arbitration

A committee of NUS executive members and Harwich seamen will study cost savings, but the agreement puts no figure on what will be achieved.

The union regard this as

a victory. Earlier peace talks at the weekend broke down when management insisted on inserting a clause making clear that it would withdraw from the loss - making Harwich to Hook of Holland ronte if savings of some £1m were not achieved.

Sealink made clear yester-day that the NUS study would have to come up with savings acceptable to the company and that its target figure had not changed.

Mr Sam McCinskie, NUS assistan general secretary. said the workforce would make "an honest attempt" to achieve savings, but he added: To ask 490 men to find film in savings was an impossible task. There is no commitment to saving any money and there is no timescale to reach an excepted figure." The settlement com-

1-Recognition by the union that operating costs needed to be reducer, and a recommendation that overtime be cut.

2-The union to examine working practices at Harwich. 3-Withdrawal of the closure threat while talks continue.

A fall in the volume of total new orders is reported by 37 per cent of the respondents. An 4-Seamen to go back to work on existing agreements, which means that earnings increase is reported by 16 per levels will not yet be cut. cent, which produces a negative balance of 21 per cent reporting 5—Acas to verify savings which Sealink claims have for 15 months. The April survey produced a negative balance of only 4 per cent.

suggesting little change in demand in the summer. The forecast for the next four months is not as bad as the results since April. A negative balance of 3 per cent expects a fall in demand. A fall is predicted by 27 sectors - especially food and drink and

tobacco, machanical engineering and electrical engineering. Among 17 sectors expecting an Increase, agricultural machinery is the most buoyant. Order, book levels are below pormal, according to 63 per cent of respondents; 31 per cent

say they are normal and 5 per cent above normal. This suggests that companies' assessments are slightly weaker than in April. But the decline may be greater because companies Street, London WC1.

pessimistic on six points

less pessimistic answers than the rest of the 44 manufacturing Sectors whose confidence is not declining: Consumer chemi-cals, agricultural machinery, paper and paper products, elec-

Sectors that were less

Sectors reporting an increase in new orders in the past four months: Industrial and agricultural chemicals, consumer chemicals, agricultural machinery, contractors plant, heating and refrigerating and ventilating equipment, instrument engineering, engineers' small tools and gauges, hosiery and

tronic goods.

Sectors where fewer than 60 per cent of companies are working below full capacity: Consumer chemicals, textile machinery, power and industrial electric goods, electronic goods hosiery and knitwear, clothing and fur, aerospace and railway rolling stock (officially cate gorised as other vehicles).

Sectors where more companies are reporting an increase in the last four months' outpn(levels: Industrial and agricultural chemicals consumer chemicals, textile machinery, beating refrigerating and ventilating equipment constructional steelwork, instrument engineering, power

UP TO about a dozen sectors and industrial electrical goods, have answered six of the electronics goods, engineers' survey's detailed questions with small tools and gauges, wool less pessimistic answers than the textilea, synthetic resins and plastics, clothing and fur, paper and paper products, printing and publishing.

Sectors expecting to increase their numbers of employees in the next four months: Heating and refrigerating and ventilating equipment, shipbuilding and marine engineering, timber and wooden products other than furniture.

Sectors which are not less optimistic about export prospects: Drink and tobacco, coal and petroleum products, con-sumer chemicals, beating and refrigerating and ventilating. equipment, instrument engineering, furniture and uphnlstery and bedding shipbuilding and marine engineer-

Notice to the Holders of Y. S. LINE (CAYMAN) LTD. U.S. \$25,000,000

734% Guaranteed Notes 1984 Effective August 2, 1982, the specified office of The Industrial Bank of Japan Trust Company as Principal Paying Agent for the above-described increase. issue will be

245 Park Avenne New York, N.Y. 10167 U.S.A. August 4, 1982

CBI QUARTERLY TRENDS

Capacity utilisation has im-

proved slightly but 75 per cent

ing below a satisfactory full

must reflect a reduction either

in capacity or in what partici-

Under-utilisation is most widespread in metal manufac-turing and least widespread in

chemicals and allied industries

and in electrical engineering.

put, while 30 per cent report a

per cent reporting lower rather

than higher nutput compares with a zero balance in April.

be a further decrease.

turing groups expect a decline

in the next four months. Rising

output is predicted by com-

allied broad group for the fifth

declined in each survey for two

years. A negative balance of

18 per cent says their stocks

negative balance since April

dipped slightly for plant and

machinery, remain constant for buildings. The proportion of

participants expecting to authorise more capital expenditure

in the next year on plant and

machinery than in the past year

has dropped to 21 per cent from

29 per cent. The balance of

those expecting less rather than

more investment has worsened

from a negative balance of 2

deterioration lo these invest-

ment intentions does not affect

their previous prediction that investment could start to rise

this year because of the long

lead time between intentions

Another prediction, made in

April, that there would be no

change in expenditure between

mid-1983 "now appears slightly too optimistic," they say. "There could be a scall decline

A negative balance of 49 per

cent reporting smaller labour

forces shows no improvement

since the April survey, but Is

not as large as last year. Fall-

ing employment is reported in

all industries apart from heat-

lng and refrigeration and ven-

companies show the greatest

Export confidence and orders

have declined. A negative

balance of 20 per cent of re-

spondents are reporting less confidence, against 2 per cent

Prices remain a serious im-

per cent of companies, vir-

pediment to exports-quoted by

CBI Industrial Trends Survey.

tually the same as in April.

No. 85. July 1982. Price £130

year to non-members (members

£80), CBI, Centre Point, Oxford

Larger

tilating equipment.

in April.

between these two periods."

the years ending mid-1982 and

per cent to 11 per cent.

and actual expenditure.

CBI economists say

consecutive survey.
Finished stocks

excessive, though they

Textiles and metal manufac-

The negative halance of 16

pants regard as satisfactory.

Outlook 'gloomy' as

demand drops again

DECLINE in business confi- are lowering their expectations

quarterly industrial trends sur- of respondents are still operat-

age domestic selling prices are a decline. Only 14 per cent of increasing more slowly, however. They are expected.

CB1

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

books is reported to the Con-

federation of British Industry's

The survey, covering 1,650

companies in manufacturing industry indicates that stocks

are still being reduced and

investment intentions bave weakened. The number of vor-

kers employed in maoufactur-

Optimism about business overseas bas also declined.

according to answers by 1,200

companies in the exports sec-tion of the survey. Orders over-

seas have falleo and ao early

ever. They are expected to decelerate further in the next

The CBI's economists say in

their report on the survey that

the renewed fall in confidence,

demand and output were not

generally anticipated by com-

panies in the previous quarterly

The survey returns were filled

in by companies between June

24 and July 21. Most will not

have been aware of claaring banks' base rate cuts on July 14

and none will have been aware

of subsequent reductions. The average trade-weighted value of

sterling in the months covered

by the survey was about I per

cent higher than in the previous

survey period. This will have

affected some views on export

are less optimistic about the gen-

eral prospects in their industries than four months ago. With 8

per cent more optimistic, there

is a negative halance of 22 per

cent of respondents saying they

are less rather than more opti-

This compares with positive

balances of 8 and 10 per cent showing more optimism in

January and April, and a small positive balance of 2 per cent

The fall in confidence is the

Only four of the survey's 44

sectoral groupings report a de-

cline in optimism (see below). Reduced optimism is most evi-

dent in the broad metal manu-

facturing category and in large

companies employing more than 5,000 people. This is reflected in

answers about orders.

sbarpest since January, 1981.

in July last year.

prospects.

mistic.

survey published in April.

down the rate of inflatioo.

four months, helping to bring decline.

ing industry is still falling.

rey published vesterday.

dence and in company order in the recession.

All figures are percentages on a weighted sample. Figures in parentheses show the response to the survey carried out last May. Number of respondents to total trade questions: 1,657.

More Same Less Are you more or less optimistic than you were four months ago about the general business situation in your industry (24) (62) (14) More Same Less N/A

Do you expect to authorise more or less capital expenditure in the next 12 months than you authorised in the past 12 months on: (a) Buildings 45 32 2 (39) (31) (1) (b) Plant and machinery

No N/A

economists say the marginal improvement in the past three months (from 77 to Is your present level of output below capacity (ie are you working helow a satisfactory full 75 per cent) is "rather surprising given the reported derate of operation) cline in output." They helieve it

(22) (77) Excluding seasonal variations, do you consider that in volume terms: (a) Your present total order (Ī) (7) More than adequate Adequata adequate N/A (h) Your present stocks of finished goods are

Excluding aeasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months, with regard to:

Trend over past four months
Up Same Down N/A
6 38 55 — 5 47 47 —
(7) (37) (56) (—) (6) (49) (45) (—) Numbars employed For the next four months, 15 per cent of respondents forecast a rise and 18 per cent a fall. Volume of total new 18 44 37 2 (23) (46) (27) (4) 17 61 20 2 (23) (58) (15) (4) The pessimistic balance of 3 per cent indicates there is un-likely to he an increase and of which: 16 47 35 2 15 67 16 2 (23) (47) (27) (2) (21) (63) (14) (2) Domestic orders 14 57 30 — 15 66 18 — (22) (56) (22) (1) (21) (61) (17) (1) Volume of output olume of domestic 15 51 33 2 17 65 16 2 (23) (49) (27) (2) (24) (58) (16) (2) deliveries Stocks of: (a) Raw materials and hrought in supplies 11 57 27 5 g 63 23 6 (12) (58) (25) (4) (11) (66) (19) (4) 11 58 22 9 6 63 22 9 (12) (58) (22) (9) (10) (64) (17) (9) 17 51 22 10 7 57 25 11 (17) (48) (23) (12) (11) (58) (19) (12) (c) Finished goods Some 30 per cent of com- are more rather than less than panies in the survey say they adequate. This is the bighest Average costs per unit 43 49 7 — 40 53 6 — (46) (45) (8) (1) (46) (47) (7) (1) of output Average prices at which: Domestic orders are

29 60 11 1 33 60 6 1 (38) (51) (10) (—) (36) (59) (4) (—) booked Approximately how many months' production is accounted for by your present order book or production schedule:

10-12 13-18 than 18 N/A (13) 42 (41) (3) (3) (0) (18) What factors are likely to limit your output over the next four Materials

Plant Orders capacity finance 91 (3) More than Less than adequate Adequate

In relation to expected demand over the next 12 months is your present fixed capacity (37) What are the main reasons for any expected capital expenditure authorisations on buildings, plant or machinery over the next 12 months:

To increase To expand For replacement Other · N/A capacity efficiency What factors are likely to limit (wbolly or partly) your capital expenditure authorisations over the next 12 months

Inadequata net Shortage Inability including Uncer-managerial return on of to raise Cost proposed internal external of tainty and about technical investment finance finance finance demand 34 23 3 10 53 Other N/A staff 23 (21) 3 (2) 10 (11) (50)**(1)** (37)(2)

EXPORT TRADE

Companies completing these questions have direct exports exceeding £10,000 per annum. Number of respondents: 1,217

Are you more or less optimistic about your export prospects for the next 12 months than you were four months ago (20) (57) (22) (1) Excluding seasonal variations, do you consider that in volume terms: Above Below normal Normal normal

Your present export order book is (14)(29)Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months, with regard to:

Trend over past Expected trend over four months Up Same Down N/A Up Same Down N/A Volume of total new export orders deliveries

19 45 34 2 16 63 19 2 (19) (52) (26) (4) (17) (67) (13) (4) 16 51 30 2 15 64 19 2 (21) (50) (24) (5) (26) (51) (19) (5) Average prices at which export orders are booked 28 58 14 1 25 65 9 1 (33) (53) (11) (2) (28) (61) (8) (2)

What factors are likely to limit your ability to obtain export orders ovar the next four months: Delivery

Quota and Political or import economic (compared with over-Credit or licence seas competitors) finance restrictions Other abroad 13 (3) (45)

OVERNIGHT TO MILAN Your express parcels and documents, picked-up late

this afternoon, will be delivered before noon tomorrow Including dutiable shipments. The basic rate is £ 16,-+ £ 2,75 per kilo,



or freephone CITYCOURIER 01-4072525

Union chief **Business training for** defends postal poll BY OUR LABOUR CORRESPONDENT they believe. The MSC is kean to develop

By Our Labour Correspondent

POSTAL BALLOTS for the election of trade union officials, which the Government is considering enforcing in its third Employment Bill, were defended yesternay by Sir John Boyd, general secretary of the Amalga-mated Union of Engioeering

Sir John was replying to recent attacks from AUEW lettwingers on the union's postal balloting system. Mr Ken Brett, tary, considered challenging the union's recent election for a sor to Sir John in which Mr Brett, a Communist, was de-feated by Mr Gavin Laird, a moderate, by 96,186 votes to 95,124 in a 23.7 per cent poll. Sir John, writing in bis

union's journal, said "Once again from the Communist stable of anti-democratic forces. an attack has been launched against our postal voting system. arising from their failure to capture the general secretaryship."

He added that by "ugly, Insinuation, subtle innuendoes and half truths" the critics of the system hoped to create doubts in the minds of the membermocracy and thus facilitate a Communist capture of key posl-

at Buncefield, near Hemel Hempstead. Herts, voted to call off a four-day-old strike which had halted supplies to the air-

port.

side, is expected to agree on a

are continuing their stoppage, however. They are demanding

return to work today.

THE THREAT to holiday flights were taken at Wandsworth, Lonfrom Luton was lifted resterday don, and Northfleet Kent. A when 76 Shell oil tanker drivers meeting at Haydock, Mersey-

Similar votes to end indus- London weighting allowances trial action over the company's for covering work formally plans to close several depots bandled by inner city terminals.

More than 70 drivers and depot staff at Shellbaven, Essex,

been made by other Harwich

In addition, the outstanding

negotiated to a conclusion

productivity items should be

with firm dates of implementa-

BR said that "productivity

improvements have been prom-

ised, but promises are no longer

BR says 'reality must rule' on pay

BRITISH RAIL told the rail without a sure way to pay for cost reductiona. It was unions yesterday that "reality it, BR said. The original offer "critical to business results" 177,000 employees this year.

In cyidence to the Railway Staffs' National Tribunal on the railway unions' pay claims, BR said: "There is no separate pot of gold to fund further pay increases."

The BR Board said that the Government had clearly expressed its own position. Mr lames Urquhart, hoard member for productivity, told the tribunal, which had Lord McCarthy in the chair: "It can he readily seen that no special assistance will be forthcoming from that quarter to finance the cost of wage awards, following the recent disastrous strikes. As

board cannot offer what it cannot afford." BR described "the parlous state of the industry resulting from the tremendous financial losses recently suffered' tbrough atrikes—over flexible rostering by the Associated Society of Locomotive Engineers and Firemen and over pay by the National Union of Railway-

The Aslef dispute in January and February cost the industry £88m. BR said. The effect of the second Aslef strike, and that of the NUR, could be a further net reduction which might approach £150m. In that case, there would be a total net loss, from disputes this year of £240m. The projected BR group trading loss for 1982 would then be between £240m and £280m. BR would exceed its external floance limit by £70-£110m. All those figures exclude the cost of any pay increase for this

BR said the figures represented "huge and immediate" financial losses which have resulted in a "potential risk to future business and the size of He said the board's with-the railway network." It added: drawal of its pay offer meant it without being provocative, the was trying to place the industry, if they could see board cannot have a policy for responsibility for the industry's approval of major electrification industrial relations which current parlous financial state schemes and other investment would mean peace at any price." on its workforce. "That is a proposals, they would have It would be inapproprite for total misrepresentation of the

the time. "In practice the at the time. "In practice the NUR strike and the second. Asicf strike have used up far

tivity measures, hesides the six items BR had pursued since

services and facilities and to the organisational structure," Cuts in train mileage in

must rule" in the determination of 5 per cent - withdrawn that the cuts be achieved in of the pay increase for its because of the strikes — was those periods. Current pas-177,000 employees this year. the most BR could underwrite senger timetables were excess more than all the funds ear- because of the recession and the

These "major changes to

sive in relation to the business avaiable because of the effect of changes in the market, and

productivity initiatives would short of actual implementation be taken into account in the review, and depot staff levels would be "adjusted."

If these proposals were

offer."

A parallel review of work must take place before pay allocation between depots on a increases can be considered." similar time-scale to that of the countered by further productivity measures therefore the countered to take the view that of the current to take t

office technology.

• Further administrative econ- agreed and implemented by the omies. BR is set to get rid of unions, BR would be prepared 3,000 white-collar staff, but it to make a "modest" pay award now wants simplified work —but it would have to be less October, and in January and methods, an end to some office than the 5 per cent offered in

May 1983, to achieve essential work and the application of new May. Buckton attacks board's case

BY OUR LABOUR CORRESPONDENT LEADERS of the train drivers' union Aslef argued yesterday of subsidies and consequent NUR had delivered on all its that the Railway Staffs' level of efficiency." that the Railway Staffs' National Tribunal should ignore what BR could afford to

year's railway pay increase. Aslef said rallway pay should return to a level comparable to its 1975 position when a tribunal award placed train drivers third in the league table of average earnings.

Mr Ray Buckton, Aslef general secretary, asked the tribunal "to indicate firmly in their award that the BR board should not base its offer solely on the basis of money currently available but that wages should be increased to a level consistent, with that previously determined following an extensive review of the nature of railway work."

He said the board's with:

the tribunal to make any reom- position because it is political future and be more amenable

mendation about a pay increase decisions by the Government to changes in the industry."

which determine the amount

Aslef insisted that pay should remain separate from produc-tivity, and the tribunal's declpay in making its award on this sion on flexible rostering gave fundamentally affected by new year's railway pay increase. support to this position. The techniques are inevitably suspific rewards for changes in work- across a longer term view." ing practices should be the subject of separate negotiations.

BR's largest union, the there was a limit to which it National Union of Railwaymen, could be sustained if the acknowledged that the financial promises were not fulfilled. position of the industry bad reached an all-time low and that Association said some account "the railway industry is in a must be taken of the current desperate struggle for survival." state of BR's finances. The in-That was because there was no dustry had been hard hit by the evidence that the Government recession, but was fighting back bad taken steps to provide the until the financial "wetershed" finance everybody agreed was

Mr Sid Weighell, NUR general secretary, sald: "If rail-

way workers could aee a firm commitment to the future of the

greater confidence in their

Mr Weighell claimed that the encouraging members to accept change had not been easy. "Men whose working lives are pay award should at least match cious of change. The NUR has increases in retail prices. Specihad to fight in order to get

> The Transport Salaried Staffs' state of BR's finances. The in-

Mr Tom Jenkins, the union's general secretary, said the TSSA had borne its fair share of cuts arising from increased productivity. The union found the 5 per cent offer unacceptable "because the increase in salaries offered did not come anywhere near to meeting the reduction in living standards our members had suffered since

That view was based on BR promises of a bright future, and knitwear, paper and paper products, printing and publish-

هكذامنالككل

Every model in the Jaguar range is now a better car.

And better value too.

And better value too.

The XJ12 H.E. now has a specially designed 'High Efficiency' cylinder head which not only delivers more power but gives up to 26% better fuel consumption than the 1980 model.* It also has wider section tyres on alloy wheels, an electronically operated steel sunroof and a headlamp wash-wipe system among many other refinements. Both the 4.2 and 5.3 engines feature advanced electronic fuel-injection systems.

In fact, all models have been improved inside, outside and under the bonnet. Yet recommended prices have actually been realigned to provide even greater genuine value-

been realigned to provide even greater genuine value-for-money. The XJ 4.2 Automatic, for example, now costs only £15,641.

We call it the pursuit of perfection; a policy rigorously applied since our re-formation as a separate company within the Cars Group of BL.

Ask your Jaguar specialist for full details. Better still,

arrange a test drive.

After all, actions speak louder than words.



Price, based upon manufacturer's trip, and correct at time of going to press, includes seat belts, cartax and VAT (Delivery number plates and road tax extra.) Official fuel consumption figures for XP2 H.E.; urban cycle 1...0 mpg (18.8 L/100 km); constant 56 mph 26.8 mpg (18.1 L/100 km), constant 75 mph 21.5 mpg (18.1 L/100 km). "26% improvement over 1980 model at constant 56 mph.

JACUAR CARS
In pursuit of perfection.

Micro-chip manufacturing

Inmos at four looks forward to adolescence

BY GUY DE JONQUIERES

A COUPLE of weeks ago ahout \$1.3bn by next year. Inmos, Britain's state-backed But it is also brutally comventure into high-volume micro- petitive. chip manufacturing, quietly U.S. manufacturers are celebrated its fourth anniver- struggling to catch up with the sary. After surviving the Japanese, who have seized more rigours of infancy—the Govern- than half the market and are ment nearly cut off its financial pricing their 64-K DRAMs very lifeline in 1980—it is starting keenly.
to plan ahead for adolescooe. Inmos reckons that it holds to plan ahead for adolesecoce.

(SRAM) has been a modest in using wafer-stepping, an adsuccess, capturing about 80 per vanced production method cent of a world market currently which improves the resolution worth about \$30m a year. It of chip patterns printed onto is being made at Inmos' plant silicon wafers. It is also countat Cheyenne Mountain, ing on another technique called Colorado, but production will redundancy, which enables debe transferred to the comfective circuits to be by-passed.

the middle of next year. of its kind in the world and break the company's future.

64-K DRAMs to be sold in the

Even established

Its first product, a 16-K some good cards. It claims a Static Random Access Memory two-year lead over its rivals pany's futuristic new facility to increase vitally important near Newport, South Wales, by production yields.

is expects to know within lis second product, a 64-K the next six months whether ynamic Random Access the 64-K DRAM will enjoy the Memory (DRAM) was launched demand it is hoping for. Profitlast month. This device, which ability will depend on achieving lnmos claims to be the fastest yields and costs up to Japanese standards at its Newport which embodies several novel plant. This is due to start massdesign features, witt make or producing the devices early next year using locally-engaged

Group Technology which owns 75 per cent of microprocessors. and is expected to be worth Inmos hopes to raise private

finance for the company next year or in 1984. Though Inmos expects to be trading at a profit by late 1983, the City is wary of investing in it at

To raise the money it needs for further development, Inmos will have to be able to show a sound track record. But it also hopes to whet investors' appewhen the time comes by filling its shop window with some exciting new projects.

Among them are: Plans for a 64-K SRAM and a 256-K DRAM, each able to store four times more data than Inmos' existing devices. Development is under way io Colorado, and the first samples should be ready by late next year. The launching of a high-per-

experimental version year, and Inmos plaos to minority position. This September It will announce



The Inmos futuristic plant in South-Wales

"custom" chips, tailored to the requirements of individual customers. Inmos would offer

The company arguea that it formance microcomputer on a Britain using obsolete processes. single chip, christened by it does not rule out the sale of Inmos a "transputer." An equity stakes to partners, An equity stakes to partners, memory chips, is though it would not want any He argues the expected to be in silicon this of them to hold more than a

IBTG), also be used on existing a symbolic display of clusters microprocessors.

of circults on a screen, but also have historically been the most Access to such abundant which Inmos and the BTG aim

A proposal for industrial shows exactly where they will part of computer systems, they power could take computers to court—remains to be seen.

functioo correctly. The development of the right performance.

requirements of individual The development of the right period and customers. Inmos would offer "transputer" and of 256-K. The dramatic fall in the cost its computer aided design. DRAMs are closely linked, of microelectrionic components wafer fabrication and process Iann Barron, managing director has, he believes, radically facilities to its pariners.

Of Inmos's UK operation, who changed all that. Cheap profirst conceived of the idea of can supply leading edge tech- the transputer in the mid-1970s, nology for the manufacture of believes that it can be realised custom chips, which would only by taking advantage of the of linked transputers. Each otherwise have to be made in very high levels of circuit inte- would handle a different part of

He argues that even the most advanced micrcomputers in production are based on a dated

Because central processors tions per second.

The dramatic fall in the cost commands. cessing power would make it possible to assemble computer gration which will be achieved a data-processing operation, appointed a committed in the next geogration of working at very high speeds experts to report on it. memory chips.

and communicating the results At a less exalted level. to the others.

Such systems could, in theory. process data at speeds of thousands of millions of instrucannounce next year that it will Inmos is particularly proud design concept, determined by thousands of millions of instructions in 1984, of its computer aided design the architecture of big maintions per second. At present,

alliances with British partners fit on to the surface of a chip have had to be used into completely new territory like GEC, Plessey and British and tells the designer if a economically: that has meant by unleashing the performance making them as versatile as needed for machines with be used into completely new territory possible, at the expense of out- limited powers of reasoning and the ability to respond to spoken

That, as it happens, ia the objective of the Fifth Generation Computer project recently launched by Government. A broadly similar project is also being considered the British Government, which earlier this year appointed a committee of

At a less exalted level, Inmos could also set new standards of price and performance in executing more mundane data processing tasks. Whether the concept can be made to work in which inmos is aiming—it Timing is important for more a new programming language itself at a cost of about £400,000. changed little in the past 20 tion, the Cray 1, operates at practice—or can be fully under-expects about \$0 per cent of its than one reason. The British for the transputer, which can The system not only provides years. tions and private investors

Radar **Cavity**

GENERATORS TO SERVE WATER PUMPS UPTO SINCHE MANUFACTURED BY

ENGINEERING LIMITED TOTAL TRACKING ENGINE HARMONTH LANGUAGE

magnetron range

IMPROVEMENTS in the design of marine radar will be possible according to the English Electric Valve Company with its new power sources for radar.

The company says that its new range of magnetrons are more efficient, last five times as long, have a high power output and are 25 per cent smaller than its competitors' models. Cavity magnetrons are the

hearts of radar systems as they are the most common and most effective means of converting pulses of electrical energy into pulses of microwave power which can be focussed into beams

It is the reflection of these beams which are used in locate and detect objects such as ships or aircraft.

EEV says that its new compact range of magnetron are intended for radars which transmit in the X band. The company hopes that the low cost of its magnetrons will encourage their use for small boat applications.
Until now there have been

few radar systems which come within the price range of most small boat owners.

U.S. company plans to be in the vanguard of CAE worldwide

GE's bid for the computer aided engineering market

BY GEOFFREY CHARLISH

clear that General Electric Detroit, Hilchln, Paris, Weis-Company of the U.S. intends to baden and Tokyo. be in the vanguard of computer

calion of computing techniques to the engineering process in CAE software house. factories—from initial product
conception right through to a includes the recent acquisition fully engineered product. Many feel that it will turn out 10 be crucial to the industrial renaissance so badly needed in the

GE bas been rapidly hullding up a world presence in the form of General Electric CAE

CONTRACTS & TENDERS

THE PEOPLE'S DEMOCRATIC

MINISTRY OF HYDRAULICS

HEAD OFFICE FOR

HYDRAULIC INFRASTRUCTURES

NATIONAL AND INTERNATIONAL

INVITATION TO TENDER

BUILDING OF DAHMOUNI DAM

The Ministry of Hydrautics-Head Office for Hydraulic

Infrastructures is putting out a national and international

Invitation to tender for the construction of the Dahmounl

Dam on the Oued Ouassal to the east of the town of Tiaret

The work, which is the subject of the present invitation to

Interested companies may obtain the fite from the Ministere de l'Hydrautique, Direction General des Infrastructures Hydrauliques D.I.M.T.—KOUBA—ALGIERS on paymeot

Offers drawn up in accordance with the specifications in

the fite and the regulations in force, in particular memorandum No. 021 dated 4th May 198t issued by the Ministry of Commerce, must arrive in a sealed doubte envelope addressed as follows: Ministere de l'Hydraolique—D.G.A.—Bureau des Marches—KOUBA, ALGIERS.

The closing date for receipt of tenders is 20th October 1982, 17.30 hours.

The contractors will be bound by their offers for 120 days.

350 000m³

8.000m³

15 000mt

1000 000m3

tender, includes the following:

2. Backfilling

3. Concrete

4. Injection

1. Excavation work

REPUBLIC OF ALGERIA

IT IS hecoming increasingly in Milford Ohio, San Diego,

GE-CAE International is a Research Corporation, a leading

The whole thing is something

1980s. It recently spent \$38m automate ils dishwasher plant and is currently spending \$300m doing the same to its

A GE executive, Vice-President James Baker recently asserted: "Automation is the last best hope for American industry and must be pursued whatever the cost."

The GE-CAE International

of a crusade for GE, which has, television and today's high defi-

presence in the UK is at Hitchin in Hertfordshire, where the technique of CAD-still something of a novelty in much of

European Industry—is already being overhauled by CAE. The comparison might be likened to

A demonstration at Hitchin showed that, starting with a blank screen, a designer can " huild " his product either by "drawing" appropriate lines on the screen, or by calling up previously stored elements such

as polygons, circles, spheres,

Three dimensional representations are easily produced, for example hy drawing a crosssectional 2-D shape and then asking the machine to "extrude" lt into a 3-D solld across the screen.

cylinders and blocks.

the flat shape on a chosen axis to give a solld of revolution. The resulting component can be shown in line ("wireframe") erased and the visible surfaces filled with any of 15 colours.

tronic music instrument com-

pany in the basement of its

ln Sydney, Australia in 1975.

grandmother's waterfront home

Today, his company, Fairlight Instruments, has a turnover of A\$2m and Matsbushita, one of

Japan's biggest industrial con-cerns, has asked Fairlight if il

can distribute its products in

Fairlight manufactures the Rolls-Royce equivalent of elec-

tronic music machines, which

can not only be used to produce

conventional sounds but produces new ones, and helps

composers with their music

Alternatively, he can revolve

ponents have been created they finite element analysis to System Design, are available

example, pistons, cylinders. Furthermore, on specifying valves, the block and so on can the density of the material be assembled to show the complete machine. It can be viewed from any angle and at the centres of gravity and any magnification—there is inertia will be marked on the magnification-there even a program that will allow the pistons to be animated inside the cylinders.

Having made such a con-struction, the engineer can try various "what if" strategies. If, various "what It" strategies. If, estimated, stress distribution for example, a big end bearing to be seen in colours—the list is enlarged, will it still clear is considerable. internal wall surfaces? Such.

In CAE, these processes can geometric data. be taken much further. The Soon, an extremely life-like whole of the geometry of a part segments that allow solld years, today were more likely representation begins to build can be fed into a program modelling; manipulation and to have a lifetime of five to 10 up and when the various—com- called Supertab, which invokes equally quickly. Only in that year.

Thus, in an engine for it deforms or fractures.

Furthermore, on specifying from which the part is made, the mass, and the positions of inertia will be marked on the screen. There are many other pro-

grams that allow for example, When the product is finalised.

things can be seen at a glance, other programms will auto-

can then be merged into or allow, for example, a structure on a one time license charge externally joined to each other. to be mechanically loaded until of £30,000, to run on a DEC

Thus, in an engine for it deforms or fractures, VAX 11 and certain IBM machines. Alternatively, the £700,000 of equipment at Hitchin can be used at between £2,000 and £2,500 a week.

Martin Neads, who runs the Hitchin facility, believes there are cogent reasons why this sort of expenditure is justifiable.

system dynamics to be GE's research and expendi-analysed, fatigue life to be ture had shown, he said, that estimated, stress distribution a good market share to give adequiate factory volume ultimately stems from quality of the product and, nowadays, the ability to be "technologically nimble."

- Products which at the turn geometric data. of the centry could be expected to remain viable for perhaps 30

Electronics

Good morning

BETTER TOAST in the morning can be expected to result from the Introduction by Russell Hobbs of an electric toaster with microchip control.

The only moving part is the bread carrier, which is released by an electromagnet. A com-bination of sensors and electronics automatically adjusts the toasting time so that no matter how many slices are toasted in sequence, all will be ejected browned to the same extent.

In addition, if the toaster is switched off in mid-cycle, the slice will still be properly done at switch on.

The usual springs, levers and catches have ben done away with stong with the othersi timer, removing the prospects of jamming due to dried out lubricants.

Data

Access modem

ELIMINATING the need for either acoustic coupler or the conventional British Telecom modem, a new direct access data modem (DADM) from MSI Data International allows the . . company's hand-held entry terminala to be connected directly to a telephone line.

The unit is priced to offer substantial cost savings over the equivalent BT modem rental

Available for use in either simplex or half duplex transmission modes, the DADM can send binary serial data at up to 1200 bits/sec. It is fully compatible with the Datel 600 service and

CCITT recommendation V23. Connection to the phone network is via a BT type 420 jack plug. More on 0734 587661.

Gauges

centres for individual applica-tions. More on 021-558 5814.

INADVERTENTLY the wrong

diverse manufacturing into the

alded engineering, or CAE. joint venture of GE t51 per CAE is the integrated appli-

of Calma, a CAD major, and it can also field GEISCO 1General Electric Informatioo Services Company), which has a global computing network with 24-hour dial up from 750 citles to three

International, which in six of a crusade for GE, which has, television and today's months has established centres the task of dragging its own nition colour pictures.

big computer centres.

that between Baird's original LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Origine in the Major of ROTAPRINT PIE and in the Major of ROTAPRINT PIE and in the Major of Matter of No. Company No. Compan

ROTAPRINT pic and in the Matter of the Campanies Act 1948.

NOTICE IS HEREAY GIVEN that the Order of the High Caurt al Justice, Chancery Ovision, dated 20th July 1982 confirming the Reduction of the Capital of the abovenamed Company from E3.033.216 to E2.274.441 and the Minuta approved by the Court shewing with respect to the Capital of the Campany as altered the everal serticular required by the above mentioned Act were registered by the Registrar of Companies on 28th July 1982.

Osted this 2nd Day at August 1982.

CLIFFORO TURNER,

alacktrists House.

19 New Bridge Street.

London ECAV 6BY.

Solicators for the abovenamed Company.

No. 003299 of 1982

IN THE HIGH COURT OF JUSTICE Chancery Oivision in the Marter of STURLA HOLOINGS P.L.C. and in the Marter of the Compenies Act 1948.

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Orvision dated the 27th July 1982 confirming the cencellation of the Share Premium Account of the Company of E550,506 was registered by the Registrar of Companies on the 30th July 1982.

Osted this 2nd Oay of August 1982.

CLIFFORO-TURNER.

Blackfriam House.

19 Naw Bridge Street.

London EC4V 68Y.

Soliciters for the Company.

IN THE MATTER OF
THE COMPANIES ACTS 1948 TO 1981
AND IN THE MATTER OF
BLAISOELL MYCROSHIMS LIMITED
Registered Office:
218, Strend, London WC2R 10G

NOTICE IS HEREBY GIVEN pursuent to Saction 293 of the Companies Act. 1948, that a MEETING of the CREDITORS of the ebove-named Cempany will be held at The Chertered Insurence Institute. 20 Aldermenbury, Landon, EC2.-04 20th Auguet 1962 at 11.30 a.m. for the purpose manifold in Section 294 or

ed of the sale Act.

Deled this 21st day of July 1982.

By Order of the Sound.

H. J. SLAISOELL.

GENEVA

Law and Tession
 Mailbos, talephone and Telex
 services
 Translaten and secretarial

Services
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PERSONAL

ROYAL ALFREO SEAFARERS' Woodmansterné Lane Banstead, Surrey

Versatile At £17,500 for the full system, the Fairlight is very much at chased by many educational the top of the range, costing establishments and universities, the Fairlight is very much at about twice as much as its

scores.

Ryrie says that his machine is sound and electronic music. far more versatile than any on the market because the machine was conceived as a to be a musical instrument.

techniques used with conven- parts can be added to a piece of tional synthesisers.
Digital techniques mean that

which define it. recording a small sample, chopping its characteristic wave- new sounds. form into sections and then

Historically, digital music synthesis has not been economic or simple because vast amounts of data must be stored to pro-duce even the simplest sound. Only universities and large sound studios have been able to afford the large computer systems necessary to create the

any way the musician wants.

KIM RYRIE started his elec- memory. It can then be altered

The Rolls-Royce for musicians

more complex sounds and turn them into musical compositions. The market for an instrument such as the Fairlight covers the whole range of the music indus-try. About 25 per cent of the company's salea comes from re-

cording studios.

As well as its use for live and studio performances by artists such as Herbert Von Karajan and Kate Bush, it bas been pursuch as Keele and Oxford for nearest competitor, but Mr research into the nature of Waveform

The Fairlight can be used in musicat instrument exploiting many different ways. For ex-computer techniques rather ample, a musician can play than trying to adapt a computer "live" on the keyboard and the be a musical instrument. instrument can play it back Sounds are generated digitally using the same expression of in the Fairlight instrument, the original performance; and unlike the analogue electronic up to eight different lostrument

Alternatively, the composer any shape of waveform can be can type instructions on a typeproduced by building up the writer keyboard the notes he note from a string of digits wanls the computer to produce. how he wants them played. An-Equalty, the instrument can other option is to use a light of high technology and Fair-copy any conventional sound by pen and draw the waveform of light bas had up to 50 per cent the note to produce completely

In fact, the pop artist Stevle turning this into a special code Wonder was the company's first There are also export allow-which is stored in the computer customer. He ordered a machine ances which are important to a

drawing the sound waveform on the visual display unit with a lightpen. The Fairlight can even help with musical after bearing a tape of a dog company such as Fairlight singing a song which was generated by computer pro-

The company now employs about 40 staff and produces about six musical instruments a month. It also supplements this business with contract design work and also produce the computer, which is the beart of the music machine for business said. applications.

The Australian Government is sive software development has keen to encourage the growth light bas had up to 50 per ceot of its development costs reimbursed under a government

composition. which exports 90 per cent of tts output. Mr Ryrie, who developed the

Composers can produce any sound they want simply by

instrument with bis friend Mr Peter Vogel, believes that it will be difficult for competitors to develop a similar machine. 'The market isn't big enough to justify the investment," he "About 10 years of expen-

gone into the machine," Ryrie said. Also eight full-time designers are continually developing new features for the instrument including one designer who used to write the software for the U.S. cruise missile.

BUNTING TITANTUM of Birmingham has introduced a new range of sight-glass level gauge fittings. They are available in five foot lengths but with varied

Correction

photograph was used in yesterday'a article referring to Jean Pierre Chevenement, France's Minister of Research and Technology.

Radiation monitoring

Personnel system as a permanent installation

power stations where radiation systems." might be a hazard.

nel monitor which has been base radiation detectors posi- delectors. Potential blind spois, cally compensates for scatter of designed as a permanent tioned in such a way as to such as under the arms are background radiation. detection of any radioactive A keypad is used to enter separate detectors monitor the contamination on all parts of

NUCLEAR ENTERPRISES of in the IPMT cubicle can be checks. Beenham, Berkshire, has intro- checked for contamination in . The unit has a I metre square cleared will the exit door open. duced a new personnel monitor- two monitoring systems lasting base and is 2.2 metres high ing system for people working about three seconds—"about with three banks of detectors, the close proximity of the detecin laboratories or nuclear twice as fast as existing After entering the cubicle the The monilor incorporates

monlior installation for the avoid blind spots on the body, therefore exposed, operational parameters such as head and feet. monitering time, background

or she has been successfully Nuclear Enterprises says that After entering the cubicle the tors to the body ensure high person to be screened stands efficiency in the detection of facing the detectors and inserts low level beta radiation while It is called the IPM7 person- arrays of argon/methane gas his or her haods into separate an attenuation facility automati-

> The model uses gas flow proportional counters and incorporates a mimic display of The user then turns to the all the detectors. When con-

indicator show the alarms. The IPM7 is the company's successor to its well proved IPM6 series. It is said to be easy to service with a full range

be isolated from the series

and an adjacent alphanumeric

linked detector chain. Nuclear Enterprises, a subsidiary of Thorn EMI Technology, is Beenham, Reading (073-521

MAX COMMANDER

THE PEOPLE'S DEMOCRATIC REPUBLIC OF ALGIERS MINISTRY OF HYDRAULICS

HEAD OFFICE FOR HYDRAULIC INFRASTRUCTURES NOTIFICATION OF

INTERNATIONAL PRESELECTION

The Ministry of Hydraulics (D.G.l.H.) is putting out a notification for preselection in order to select the design offices which will isaue offers regarding the implementation. of the feasibility studies, detailed estimates and the execution of the dams. The design offices are requested to submit to the Ministere de l'Hydraulique - Direction Generale des Infrastructures

Hydrauliques — D.I.M.T. (Immouble SETHYAL, 3 rue MOHAMED ALLILAT — B.P. S6. KOUBA — ALGIERS, all

Questionnaires will be at the Design Offices disposal from 15th July 1982 onwards and should be returned together

with the preselection files by the 15th September 1982 at

the necessary documentation enabling them to make their The documentation should comprise in particular:

— Reference from the Design Office;

Capacity to operate in ALGERIA.

Design capacity;

TO HELP SEAFARERS fincluding their shere-besed col-leagues) and their widows who can no lenger help themselvas, pleasa and e git to Genaral Secretary, J. H. Moore

.. The_company claims that a update time, false alarms and rear of the cubicle for further tamination is present the fully clothed person standing individual counter response monitoring and only when he relevant detector on the display

background radiation.

of protection systems including a gas analyser and a method wherehy any detector group can

LONDON

6.40-7.55 am Open University (Ultra High Frequency only). 9.30 Gharbar. 9.55 Cricket: The NatWest Band Trophy Quarterfinal, 1235 pm Our Wine Is Fine. 1.00 News After Noon, 1.30 King Rollo, 1.35-1.45 Bric-A-Brac, 4.18 Regional News for England (except London). 4.20 Play School. 4.45 We Are The Cham-pions. 5.10 Newsround. 5.15 The

- 6.00 Regional News Magazines. 6.25 Bugs Bunny.
- 6.30 Believe It Or Not: Take age was a golden period for poetry, not least the 1850s, the decade a light-hearted look at the in which Tennysoo succeeded Wordsworth as Poet Laureate. unusual, the incredible, Anthony Thwaire sets the scene on Radio 3 at 9.40. If you are the eccentric and the at home in the afternoon lend an ear to the FT Literary Editor
- 6.55 The Wednesday Film: is Relations. "Caprice," starring Doris
- Day and Richard Harris.
- 8.30 Now Get Out Of That.
- 9.25 Task Force South: The Battle for the Falklands (5): Beach-head.
- 9.55 Chicago Story (series star-ring Maud Adams).
- 11.08 News Headlines.
- 20th Century Remembered: Lord Home recalls the final years of his long political life.

except at the following times:-

BORDER

CENTRAL

CHANNEL

1.20 pm Chennol Lunchtono News and Whot's On Whero. 2.45 Skin Ocep. 5.20 Croseroads. 5.00 Chennol Repen. 5 10 Fonglace. 6.35 Summer Extrs. 10,28

(S) Sterse broadcast (when on VHF)

RADIO 1

5.00 em Ao Radio 2, 7.00 Miko Road. 9.00 Simon Bates 11.00 Steve Wright, 12,30 pm Newsbost 12.45 Osvo Lao Travis. 2.00 Paul Burnett, 4,30 Pater Powell 7.00 Radio 1 Mailbag. B.00

RADIO 2

12.30 pm Open University.

6.40-7.55 am Open University.

9.20 Cheggers Plays Pop.

9.45 Jackanory.

10.00 Paddington

Disguise reaches a dramatic climar.

1.20 Cricket: The NatWest Bank Trophy. 5.10 Philosophy of Science II. 75.35 Laurel and Hardy in "Tit for Tat." 5.55 X-Rays: The Early Days.

Chennal Late News, 12.20 am Nows and Weether in French. All IBA Regions as London GRAMPIAN .

ANGLIA 9.35 am Carroon Time. 2.45 Imor-rational Bowls. †10.10 " On the Best." aterring Norman Wisdom. 11.50 Cap-tain Namo. 1.20 pm Anglia News. 2.45 Wolcomo Back Kotter. 3.15 World Worth Keoping). S.15 Private Benjamin. 2.00 About Anglia. 12.20 am Pilgnm to the Holy Land 2.40 em First Thing. 9.45 Sasamo Straet. 10.40 Call It Mecaroni, 11.05 Thundarbirdo, 11.95 The Adventuros of Paralay. 1.20 pm North News, 2.45 The Last of Summor, 5.15 Mr Morlin. 6.00 Summer at Six. 12.20 am North Headimea.

GRANADA 9.30 am Our Naturdal Environment, 9.45 Film: "The Scciet." etering Jean-Loue Trintignent, 11.00 Sesema Street, 1.20 pm Border News 2.45 Cherie'o Angele. S.15 Survival 5.00 Lookaround Wednesday. 12.15 om News Summary.

GRANADA

2.30 am Our Natural Environment.

9.45 Wednesday Mannao: "The Secret," atterning Joan-Louis Trinsingmant, 11.00 Secrets, Street, 1.20 Granada Reports. 2.00 Winners end Losers, 2.30 Putting on the Striet, 2.45 Palmerstewn, 5.15 Welcoma Beck Kottar, 6.00 This to Your Right, 6.05 Crossroads, 5.30 Granada Reports News, 6.36 Side Roads, 10.30 Wednosday Film; "The Wicker Men," eterning Edward Woodward, 9.55 am Johnny's Annel Operes.
10.20 The Advontures of Niko, 10.45
Roif Harra—Water Safety, †11.00
Hopolong Cosmidy, 1.20 pm Central
News. 2.45 Paimersrown, 5.15 0.6*; ant
Strokes, S.00 Croseroade, 5.25 Central HTV '

2.50 am 3-2.1 Contact. 10.20 Boochcombero. 10.45 The Extraordinary
Paople Show. 11,10 The World We
Live In. 11.35 Superstor Profiz. 1.20 pm
HTV Nows. 2.45 Army Air '82. 4.15
Aak Oscarl 4.45 The Advancures of
Niko. 5.15 Staying Alivo with Eddia
McGoo. 5.00 HTV News. 10.28 HTV
News.

9,30 am Franklin D. Rooseveit

10.25 Pinballs. 11.10 Struggle Beneath the Sea. 11.35 Freetime. The Battle for the Falklands approaches its climax tonight 12.00 We'll Tell You A Story with film of the Argentine attacks on the San Carlos Bay landings. 12.10 pm Rainbow. 12,30 Th Communicators, 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Women during the actual events and the instant bistory just a few weeks later. (BBC1 9.25). There is stiff competition on both other channels—BBC2 is still looking for its film buff of the year, a of Today. 2.00 A Taste of China. hrilliant idea, while on ITV at the same time Something in Three Little Words. 4.15 Dr. Three Little Words. 4.15 Dr. Souggles. 4.20 Storybook Inter-national 4.45 Into the Labyrinth. 5.15 The Brady Bunch.

5.45 News. 6.09 Thames News with Rita Carter and Colin Baker. . 6.25 Help!: Community action with Viv Taylor Gee.

6.35 Crossroads. 7.00 Where There's Life . . . 7.30 Coronation Street.
8.00 The Big Top Variety
Show: Host Bernie Clifton.

special guest Gene Pitney with Showaddywaddy and Brother Lees. 9.00 Something In Disguise, starring Richard Vernon, Ursula Howells with David

Gwillim and Ellzabeth Garvie. 10.30 "Alex and the Gypsy." starring Jack Lemmon and Genevieve Bujold.

12.20 pm Close: "Sit Up Aod Listen" with Lord Willis.

f Indicates programme in black and white .

con Island, 1.20 TVS Naws, 2.45 Trappar John, 5.15 Happy Cays, 6.00 Coest to Coast, 12.20 am Compeny, TYNE TEES

TYNE TEES
9.20 am The Good Word, 9.25 North
Best News. 9.30 The Kustory Makers.
9.55 European Folk Tales. 10.10 Cities.
11.00 Survival. 11.25 Sengrey. 11.50
Mumbily. 1.20 pm North Eart News.
1.25 Where the Jobs Are. 2.45 The
Anta Room, 5.15 Private Beograms.
6.00 North Eart News. 6.02 Crosstoads. 6.25 Northern Ma. 10.30 North
East News. 12.20 am Ir's a Bleseing. 10.00 am Wild, Wild World of Animala, 10.25 Summor Mannaa: "Abova Ue tha Wavas," 1.20 pm Scottish Nows. 2.45 Lova Boat. 5.15 Trivish Talas. 5.20 Crossroads. 4.00 Scotland Todoy. 5.30 Gown to Earth. 12.20 am Late Call,

ULSTER 10.10 am Sasama Streat, 11.10 Ter-zen, 1.20 pm Lunchuma, 2.45 Celes, 4.13 Ulater News, 5.15 Mr Martin, 5.00 Good Evoning, Uster, 10.29 Ulater Wasther, 12.20 am News at

YORKSHIRE

9.35 am Sosame Swear, 10.35 Project
UFO, 11.25 Rocket Robin Hood, 11.50
Larry the Lamb in Toylown, 1.20 pm
TWS News Hoadwas, 2.45 Skin Osap,
5.16 Gue Honeybun's Megic Strinders,
5.20 Crossroads 6.00 Today South
West, 5.30 Tale Views, 6.40 Sportswask, 10.32 TSW Late Nows, 12.20 am
Possector. TWS News Hoadines. 2.45 Skin Osap, 5.16 Gue Honsybun's Magre Birnddays, 5.20 Crossroads 6.00 Today South West. 5.30 Tale Views. 6.40 Sportswark, 10.32 TSW Leta Nows. 12.20 am Passecript.

TVS

9.30 am 3-2-1 Contact. 10.00 Survival, 10.25 The Making of Superman, 10.30 Finch, Alac McCowen, Barry Foster and Anna Massay.

News. 10.02 Gardanors' Question Tame, 10.30 Oarly Service. 10.45 On Moliday, 11.00 News. 11.03 Bakar's Oozan (5), 12.00 News. 12.02 pm You and Yours. 12.02 A Smat Town in Germany by John Le Catré, 12.55 Waether, travel, programma naws. 1.00 The World at Ona. 1.40 The Archora. 1.55 Shipping Foracast, 2,00 Naws. 2.02 Wamen's Hour. 3.00 Naws. 2.02 Wamen's Hour. 3.00 Naws. 3.02 Afternoon Thastrs (5), 3.47 Time for Varac. 4.00 Nows. 4.02 Mighty Mytha. 4.10 File on 4. 4.40 Stary Time. 5.00 PM; Nawa Megazina. S.50 Shipping Foracast, S.50 Worlder, programma news. 6.00 News. 6.30 Mv Music (5) 7.00 News. 7.05 The Archora. 7.20 Checkupont. 7.45 Animal Lenguage (5), 8.15 Antony Hopkins talking about music (5), 8.46 Stasiel Plus (51, 9.30 Kaleidoacopa. 9.59 Woether. 10.00 The World Tonight. 10.30 England. Their England. 11.00 A Book at Badoma. 11.15 The Finencell World Tonight. 11.30 Uniorgenables. 12.00 News.

RADIO

TELEVISION

Tonight's Choice

Extraordinary is the cootrast between the lack of cinema verité

Bowls has never rivalled snooker as the minority sports fad

hut it gets another chance on BBC 2 tonight with the start of

Top Crown. This is followed by instant cricket—the NatWest

Anthony Curtis presenting Time for Verse. This week the subject

BBC 2

ANTONY THORNCROFT

6.25 Candice Bergen.

7.30 News Summary.

g.50 Jane.

10.25 Top Crown.

Bank

11.10 Newsnight.

7.35 The Travel Show.

6.55 Six Fifty-Five Special

8.05 The Man Alive Debate.

9.00 Film Buff of the Year. . 9.30 Cloud Hows.

11.45-12.15 am Cricket: NatWest

HTV Cymru/Wales—As HTV West axcapt: 10.45 am Cersoorums. 11.00 Estaddiod Gonedlaothol Cymru Abertswa. Ar Cych. 12.00-12.10 pm PB ach TWT. 2.45-3.45 The Sporis of War. 4.15 Horo's Boomer. 4.45-5,15 Llygad Samud. 6.00 Y Oydd. 6.15 Report Wales. 5.30 Estaddiod Ganadiastici Cymru Abertswo A'r Cylch. 7.00-7.30 Crossfoads (As HTV West 8.35 pm).

SCOTTISH

Troohy

trophy quarter-final highlights (the Gillette Cup to you).

8.30 Among Your Souvenurs (S), 9.16 John Fox (S), 9.55 Sports Oosk, 10.00 Tom Mannard talk Local Tales, 10.15 Wall Strott Cresh, 10.30 Hubert Gregg eys Thanks for the Memory, 11.00 wall Stront Craim. Joan Hubert Grapy easys Thanks for the Memory. 11.00 Arran Matthaw presents Round Midnight (storag from 12.00). 1.00 am Encore (S). 2.00-6.00 You and the Night and the Music (S).

Travis. 2.00 Paul Aumett. 4.30 Pater Powell 7.00 Radio 1 Mailbag. B.00 David Jensen. 10.00-12.00 John Posl (S). Radios 1 and 2-5.00 am With Radio 2. 10.00 With Radio 1, 12.00-5.00 am With Rodio 2. RADIO 3 6,55 am Weathar, 7.00 News. 7.05
Your Midweek Choico (S1, 9.00 News.
8,05 Your Midweek Choice (continued),
9,00 News. 9.05 This Weak's Composer: Bech (S1, 10,00 Sir John Barbirchi. 10.40 Charinet and Pieno (5),
11.25 Chamber Orchestra of Europe (S),
1.00 pm News. 1.05 Summer Sasson (S1, 2,00 What the Critics Said. 2,50 FANIO Z

S 00 am Oon Ourbridge (S]. 7.30
Ray Moora (S). 10.00 Jimmy Young
(S). 12.00 Gloria Hunnidord 2.00 pm
Ed Stewart (S). 4.00 Oewid Huniton
(S). 5.46 News: Sport. 6.00 Crickati
NatWest Troopy (quarter-three). 7.30
John Ouna (S) (continued from VHF).
8.00 A.an Oell with Oance Sand Oeys.

Parcy Aldridga Grainger (S]. 3.30 Mondelssohn piano recitel (S). 4.00 Choral Eveneong (S]. 4.55 News. 5.00 Mainly for Pleasure (S). 5.30 Kodely and Asrok choral roctel (S). 7.00 What Books 1 Please (talk by Jphn Sparrow). 7.30 Proms 82 from the Royel Albert Hall, part 1: Wagner, d'Indy, Chausson (S]. 9.20 Six Continents. 3.40 Proms. part 2: Strauss (S). 8.40 A Century of Poarry. 10.05 Bernd Alote Zimmermann (S). 10.35 Piano Music (S]. 11.15-11.18 Naws.

RADIO 4 5.00 am Nawa Briofing. 5.10 Ferming Today. 5.25 Sh-pping Forecast. 6.32 Today. 8.43 Hayming Teles. 8.57 Waethar, travol. 9.00 News. 8.05 Midweek: Clare Francis (S). 10.00

FT COMMERCIAL LAW REPORTS

Court's power to advise arbitrators

F. G. WHITLEY & SONS CO LTD v CLWYD COUNTY COUNCIL

Court of Appeal (Lord Justice Waller, Lord Justice Donaldson and Lord Justice Griffiths): July 30 1982

WHERE TWO questions in an arbitration are inextricably boond up they must both the ambiguity. be decided by the arbitrator, or if leave to appeal is given, by the court; and the court

cannot give leave to appeal from an award on the ground that the arbitrator seeks direcfloos, bot may give him council. advice or support hy referriog to the relevant principles when giving its reasons for refusing leave.

The Court of Appeal so beld when allowing an appeal F. G. Whitley & Soos Co. Ltd., contractors, from Mr Justice Mais's decision to grant Clwyd County Council leave to appeal from an arbitrator's interim award and suppleotental award.

LORD JUSTICE DONALDSON said that in 1979 the council entered into a contract with the contractors for the construction of two miles of dual carriage way, at a basic price of over

When the work was undertaken the contract engineer required the contractor to provide and use particular grades of rockfill material. The council took the view that that requirement came within the terms of the contract. The contractors said it amounted to a variation order and they claimed an additional £340,000.

An arbitrator was appointed. The issue turned on the true construction of the contract. In an interim award the arbitrotor found that the contract was ambiguous. He held that before he made a final award he must give the parties an opportunity to adduce extrinsic evidence as to 11 other cootracts between them in that they might have established a course of dealing with a bearing on the matters in reference.

The council complained that the arbitrator bad not slated his conclusion on the true construction of the contract and urgently called upon him to do so. That complaint was wholly miscon-

The cootractors suggested a meeting for directions as to what

the arbitrator, but not by the

appeal against the award and an order remitting it to the arbitrator with a direction as to the true meaning of the contract. The arbitrator tried to fix a date I should give leave to appeal, for a further hearing, but the . . . In effect the arbitrator is council said that the next stage must be the hearing of its application for leave to appeal.

arbitrator issued a supplement to his interim award. He held that should the High Court decide that extrinsic evidence was inadmissible, or should the parties decide not to admit such evidence, then the contractors were under contract to provide apecified types of rockfill.

The council sought leave to appeal against the supplemental award on the ground that the arbitrator bad no jurisdiction to vary his interim award; that he was wrong to Issue a supple-mental award without informing the parties of his lotention and giving them an opportunity to make representations; and that his provisional view of the construction of the contract was

The supplemental award did not materially vary the interim award. The fact that the arbi-trator failed to inform the parties of his intention or to give them an opportunity to make representations was no reason for giving leave to appeal since no question of law

tion of the contract did not involve any decision and was accordingly unappealable,

The applications for leave to appeal

tion. evidence should be admitted in coostruction of the contract was log a wrong decision, provided relation to the previous dealings. not a question of law. What he that it was not unfair or cop-The suggestion was accepted by really meant was that there trary to the rules of natural

The couocil sought leave to struction of the contract. question whether or not extrinsic evidence ls admissible in

this case is a matter of law and asking for guldance or direction as to whether he should or should not admit extrinsic Faced with that situation, the evidence. Accordingly . . . I grant leave.

That decision was wrong. Whether extrinsic evidence was admissible was inexorably bound up with wbether the contract was ambiguous. Both questions had to be decided either by the arhitrator or by the court. No division of responsibility was possible

Bearing in miod that the contract was one-off, and that its construction depended partly on familiarity with the terminology and practices of the construction industry, it was a case in which leave to appeal abould not bave been given (See: the Nema [1981] 3 WLR 292).

whether the arbitrator could or considering the course of dealabould have been giveo guidance or direction. He was perplexed to how to deal with the couocil's failure to accept his award. material respects. If they did,
It was not for the courts to the previous course of dealing give arbitrators directions dur-ing the course of an arbitration (see: Exormisis Shipping S.4 v Oonsoo [1975] 1 Lloyd's Rep appeal since no question of law 432). Their power was strictly Lord Justice Waller and Lord was involved.

The expression of a prelimitary view as to the construction of the contract did not limited not go that an award, or ordering that an arbitrator should not go set Jones OC and Jane Booth (Edward Lloyd and Co, Liverlimitary view as to the construction of the contract did not living an award, or ordering that an arbitrator should not go set Jones OC and Jane Booth (Edward Lloyd and Co, Liverlimitary view as to the construction of the referlimitary view as to the construction of the contractor. Eric Somerlimitary view as to the construction of the contractor. Eric Somerlimitation of the contract of the contractor of the referlimitation of the contractor of the

was for arbitrators to applications for leave to decide how the arbitration were referred to Mr should be cooducted. It was of Justice Mais who was not a the very greatest importance that

ceived. He had held that the con-tract was ambiguous and that familiar with the problems proceedings. Having given due additional evidence might resolve which arose on the interface consideration to any arguments between the court and arbitra-addressed to them, they should make firm decisions. No arbitra-He held, surprisingly, that the for should be criticised for takreally meant was that there trary to the rules of natural were on reasons to give leave to justice; but he would be open

appeal io respect of the con- to criticism if he were out firm. The arbitrator in the present He went on to say that "the case did in the end take a firm line, but he was faced with a highly uncooperative county council. Io so far as he needed advice or support, the judge

could have provided it. The judge should have refused leave to appeal, but in giving his reasons, he could have adverted to the principles applicable when deciding whether to admit extrinsic evidence, and to the circumstances in which such evidence was a permissible aid to construction. For example be could have

said that (1) extrinsic evidence was admissible as an aid to coostruction in deciding whether the contract was ambiguous (2) If the contract was not ambiguous. extrinsic evidence was not a permissible aid to construction.
(3) If the contract was If the contract ambiguous, extriosic evidence was a permissible aid in resolving the ambiguity. (4) A previous course of dealing could be relevant if not inconsistent with That left the question of the terms of the contract. 151 In ing under the 11 previous con-tracts, it was important to see whether their terms differed in the previous course of dealing would be of no assistance.

The appeal should be allowed and an order substituted refusing leave to the High Court. Lord Justice Waller and Lord

For the council: Richard Ferny-hough (E. R. Ll Davies Mold).

By Rachel Davies

RACING

BY DOMINIC WIGAN

HASTINGS · BASS. whose Marriott stable scored a of fortune. highly impressive 10 juvenile successes from 35 runners io McKeown to Broken Habit in August last year, had been a 13-ruoner event at Bath last expected to saddle Pennlyne month, Penolyne Trooper had Trooper at Pontefract today with Pal Eddery riding. Instead he has chosen to run the twicein Brighton's opening Beach oo 2,000 Guineas day.

Maideo Stakes, The switch looks significant. There seems every possibility that course specialist Norfolk Flight, in the Brighton Challeoge Cup, will give Hast-

ings-Bass a much-needed change

A neck runner-up uoder previously caught the eye when

Norfolk Flight, one of seven Numismatist in action lenge Cup, bas a hard task, for return to bis favourite course following an encouraging recent run at Yarmouth may be just the pecessary incentive.

John Dunlop, whose local Arundel team got off the mark yesterday through the Nebbiolo filly Sedra, will be busy towards chasing home more forward the close of the afternoon. In rivals Shearwalk, Prince Reymo the space of 45 minutes he will Tachypous two-year-old and Falles Vite at Newmarket either be watching or listening to Mary Mitsu. Monetarist and

runners for the Ij-mile Chal- Brighlon or Ayr. My idea of the best bet from the trio is Mary none of his rivals coo be lightly Mitsu, who is expected to leave dismissed. Nevertheless, this her Irish 1,000 Guineas form well behiod. AYR

4.15—Monetarist 4.45—Pringle BRIGHTON 2.00—Pennlyne Trooper** 3.00—Norfolk Flight*
4.00—Mary Mitso***

PONTEFRACT 5.15—Bedford YARMOUTH 2.15-Sbarp Sea

APPOINTMENTS

Espley-Tyas changes Also joins the main Group board, with responsibilities for property and displayprint, including Olley and Rowley, formerly part of the Olro Gcoup, which was receotly acquired from the receiver. Mr John Rose becomes chairman and the board of ESPLEY-TYAS director and secretary in place of Mr Bay Joyner continued as sales with Morgan Grenfell and Co.

Mr G. Barry Gregory have joiced the board of ESPLEY TYAS PROPERTY GROUP. Mr Wake-Construction Group, and Mr Dutch Sheil Group of Companies of the Manston companies with the Royal and 15 years with the Royal Construction Group, and Mr Dutch Sheil Group of Companies of the Manston companies with the Royal Construction Group and 15 years with the Royal Construction Group and Mr Dutch Sheil Group of Companies of the Manston companies with the Royal Construction Group and Mr Dutch Sheil Group of Companies of the Manston companies with the Royal Construction Group and Mr Dutch Sheil Group of Companies of the Manston companies with the Royal Construction Group and Mr Dutch Sheil Group of Companies of the Manston companies with the Royal Construction Group and Mr Dutch Sheil Group of Companies of the Manston companies with the Royal Construction Group and Mr Dutch Sheil Group of Companies of the Manston companies with the Royal Construction Group and Mr Dutch Sheil Group of Companies of the Manston companies with the Royal Construction Group and Mr Dutch Sheil Group of Companies of the Manston companies with the Royal Construction Group and Mr Dutch Sheil Group of Companies of the Manston companies with the Royal Construction Group and Mr Dutch Sheil Group of Companies of the Manston companies with the Royal Construction Group of Companies of the Manston companies with the Royal Construction Group of Companies of the Manston companies with the Royal Construction Group of Companies of the Manston Con of the Manston companies within the newly-formed Espley-Tyas Development Group, Prior to bls present appointment, Mr Wake-ham spent many years' service with MEPC in London, Bristol, and Sydney. Mr Gregory joined Manston Development Group in

Mr William Prior Cole has been appointed chairman of the Department of Industry's Metro-logy and Standards Requirements Board (MSRB).

appointed Mr Dennis R Bailey as director and secretary in place of Mr N. J. Kingston who retired U.S. and the UK.

The PRESTIGE GROUP has appointed Mr P. J. Van Zuydam to the newly-created position of managing director (UK com-panies). He was formerly managing director of the company's UK bousewarea division.

meen appointed chairman in the been appointed industry's Metropoly and Standards Requirements of Industry's Metropoly and Standards Requirements of Insley-Robor Group. He was managing director of the group's managing director of the group'

Mr Roy Joyner continues as sales and marketing director. Mr Nick Toms, commercial director, and Mr Derek Christian, works director, are appointed joint managing directors of James Upton.

Mr Akira Takahashi, a director of THE SUMITOMO TRUST AND BANKING CO., and general manager of the London branch, is leaving on August II to become general manager of the New York branch. He will be succeeded in London by Mr Hiroshi Deguchi, who has been general manager. Tokyo cor-

Mr D. H. Northage, previously finance director, has resigned, and Mr P. G. Gardiner bas beeo appointed financial controller in addition to company secretary of LEYLAND PAINT AND WALL-PAPER. Mr N. Sharrock, who beads the paint and merchant division, becomes a director.

Mr W. D. Sharp has been appointed an executive director of BURNS-ANDERSON.

Following the acquisition of AAA industries by Glossop, the reconstituted board of GLOSSOP is: Mr D. McL. Burnell chalrman

CONTRACTS

Wimpey wins over £9m work

WIMPEY CONSTRUCTION UK work to the Crown and County is valued at more than £9m.

The company's Cardiff office has been awarded an £805,000 under a £400,000 award.

Bristoi also has a £1.6m award contract by Merthyr Tydfil Bocough Council to build a 240 metre reinforced concrete twin-box culvert and associated works at Forman Place, Mertbyr Tydfil. Janssen Pharmaceuticals of Marlow has placed a £3.9m contract with the Bristol office for a reinforced concrete office block and steel-framed warehouse at Station Road, Grove, Wantage.

Wimpol of Swindon bas placed a 1625,000 order with the Bristol office for a structural steelframed affice block and work-shop on the Groundwell Industrial Estate, Swindon.

for a warehouse of 75,000 sq. ft. and manufacturing facility in Chippenham, Wiltshire, for Herman Milier of Bath. The Southampton office has been awarded a £900,000 contract

tory block by Plessey Properties. The block will be built by March 1983 at Southleigh Park, Havant. The Scottish Special Housing Association has awarded tha £780,000 second phase of its newbuild contract at Kerse Road, Grangemouth to Wimpey's Edin-

burgh office.

aidiary of British Aluminium, haa been awarded an order worth around £170,000 for the design, supply and construction of a reservoir roof structure and its cladding at Oswestry water treatment works for the western division of the North West Water Authority, based in Bootle, Merseyside. The completed roof atructure will cover an area of 2,908 sq metres.

ESAB has been awarded a contract worth over £500,000 to supply a welding reticulation system to The Lummus Co. in connection with the Esso Chemical's Fife ethylene pro-

ing as sub-contractors to ESAB will perform a major role in this contract.

MAWDSLEYS has received three orders valued at nearly £500,000 for de machines and motor altecoator sets. The first order, received from PPD Engineering, is for 32 dc motors which form part of thyristor-controlled drive systems for a paper machine installation being supplied by Beloit Walmsley of Bury for Iodia.

The second contract covers 28 de motoralternator sets for the British Steel Corporation at Port Talbot and the final order is for 30 m-a sets for the London Transport Executive, all baving a single-phase 240 V 5.4 kVa 50 Hz output and being fed from a dc supply which can vary from

THE EMPLOYMENT BILL

The Financial Times published a series of articles during March and April looking at Norman Tebbit's Employment Bill. These articles have now been reprinted as a booklet and are available at a cost of 50p (including p&p).

Please send cheques or postal orders payable to Financial Times to: Nicola Banham, Publicity Department, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY.

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FINANCIAL TIMES CONFERENCES AND SEMINARS

World Financial **Futures**

LONDON: 13, 14 and 15 September, 1982

Unparalleled volatility on foreign exchange and credit markets has made futures trading a subject of vital strategic importance for bankers, investors and corporate treasurers. Timed to precede the opening of the London International Financial Futures Exchange, this major Financial Times programme will consider developments in financial futures markets world-wide and focus attention on the views of the regulators, financial and corporate users.

The eminent panel of speakers includes:

Michael Jenkins Chief Executive, LIFFE

Leo Melamed Special Counsel to the Board, Chicago Mercantlle Exchange

Commissioner Susan M Phillips

Senior Treasury Associate, Occidental Financial Services Inc Robert McKnew

Geoffrey Gray

J Beresford Packham

Vice President and Executive Treasurer, United Brands

Senior Vice President, Corporate

Treasury Division, Continental Bank

The conference will be preceded by an optional one-day training seminar on hedging, arbitraging and trading techniques. It is based on the trading model prepared for members of LIFFE. This is the first occasion it has been made available to non-members.

World Financial **Futures**

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To: Financial Times Limited, Conference Organisation, Minster House. Arthur Street London EC4R 9AX Tel: 01-621 1355 Telex: 27347 FTCONF G Cables: FINCONF LONDON Please send me further details on the conference "World Financial Futures". Name Company Telex:

CHE

dem

Americans, for whom it's sin

To play the game unless they win. Are most inclined to hedge their bet

By doubling op the height of net; This stops the European ball

While Europe threntens to retire,

But both accuse the Eostern set.

Of dirty play pround the net,
And call the Japanese a menace
Unworthy of the game of tennis;
Or fight obout the repercussions

Of playing doubles with the Russians, In case the Eastern Bloc attack its

The players, to o man, deplore
The ones who coll the game a war;
Insisting it is only played.

Within the spiril of free trode,

By gentlemen who don't resort To cheating in the name of sport;

It's simply not the gourc for fools

Service game with Western rackets.

Or raise its own a sanction higher.

From entering their court of all,

BOARDROOM BALLADS.

ANYONE FOR TENNIS?

Conservation, tourism and a contract to manage

Frank Lipsius on the Oberoi hotel group

city is aiready being turned upside down and spruced up for the Asian Games this winter. Apart from undertaking four new stadis and public works that are "making the city look like a hride again," as one former Deihi resident said after a recent return visit, the city is also nearly tripling its number of hotel rnoms from 1,800 to

The Government is no doubt pleased that a second major use for the stadia will help justify the investment but in the long 10 years between the two athletic attractions there may well be anxious days ahead for- those international hotel chains which are building now to mect the demand for rooms this winter. These include India's own Taj chain, which is building a second hotel, the American Hyatt and Holiday Inn. and Air France's Meridien. Sheraton is aiready there.
According to S. N. Chib.

India's first director general of tourism and now a consultant to the Oberoi hotel group, " the trouhie will start in December 1982 or January 1983, when Deihi wili have a 2.500-room surplus. The over-supply will last for at teast five years and from 1984 the hotel situation in Dethi could be a disaster,"

But the Oheroi, which is investing \$2m in modernising its Oberoi Inter-Continental in New Delhi, does not expect to another chance by huying a participate in that over-supply. Its confidence of holding its nwn is based on the fact that the hotel has been in business for more than 15 years, and its refurbishment should re-establish the standards that it originally set as Delhi's first Indian independence. But the iuxury hotel of an International risks then increased as Oheroi

with the cauting shown in its and the heir apparent, his 53-refusal to hulld another Delhi year-oid son P. R. S. (Biki)

COMPANY NOTICES

NOTICE TO ALL NOTEHOLDERS OF

CYDSA, S.A.

FLOATING RATE NOTES DUE 1988

NO ONE was really surprised hotel, the Oberoi group is best when the Indian Government known for its daring to estabrecently announced that it was lish hotels where others have bidding to hold the 1992 refused to go, Delhi is just too Olympics in New Delhi, The fashionable to tempt Oberoi at a time when the group is opening, ur negotiating to open, hosets in Baghdad, Luxor, Uganda, Nigeria and Mozambique, to add to the 26 it already has spread across Australia; Asia and Africa—from Bali to

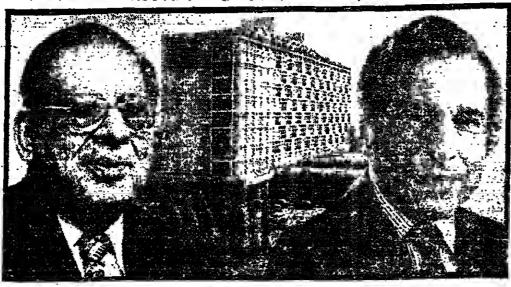
Saudi Arabia. With nearly 5,000 rooms and 9.000 employees. Oberoi Hotels is an undoubted Indian success story. Having started as a clerk and stenographer, 82-year-old M. S. Oberoi, who stitt heads the company today used his wife's jewels as security to huy out the Simla hotel company for which he was manager when its English owners douided to retire, in the 1930s, he added the Grand Hotel in Caicutta after a choiera epidemic had kilied 100 guesis.

Visiting army

During the Second World War, rather than let the struggling Grand be requisitioned by the Brilish army, Oheroi offered to run it under a management contract-providing 2,000 meals and 20,000 drinks per day. That cost him a tol less to do than it would a visiting army. "When I first made the offer," recalls Oberoi. "The commanding officer said: 'Ten rupees a day [for room and board]—I don't believe it." Before the war was over Oberoi was willing to take controlling interest in India's largest hotel group, Associated

properties to the fold. -who now runs the hotels with Ironically, and in contrast his son-in-law, Gautam Khanna,

Hotels, and adding five more



M. S. Oberoi (left) and his son P. R. S. (8iki) Oberoi: spending \$2m on modernising the Oberoi Inter-Continental New Delhi

national to the international Atian агепа.

with financed and well-known chains tike Sheraton and Inter-Continental has required flexibility. finesse, daring and even, sometimes, co-operation with theor,

In its drive in become international Obcroi has suffered from the disadvantage of having always to raise funds locally hocause of the constraints imposed by India's exchange con-trol regulations. This has at limes left the group stretched financially.

Obcroi has taken risks by turning unwanted properties into luxury hotels, as it did with both the Mena House in Cairo and the Hotel Windsor in Melbourne, two historic properties that hardly seemed capable of heing rehabilitated before the Oheroi group took them over.

M. S. Oberoi chose Australia for further expansion hecause he toves it there. Biki Oberoi. who was trained at the hotel school in Lausaune, Switzerland. has directed the group toward hotels that can he modernised while still capitalising on their historic qualifies.

"I finally convioced my to take on smalt properties that have a sense of drama. Impersonality is not what people want. We operate in places where labour is not so expensive. We can afford to improve the hotels and then have butlers for the rooms the way holeis were once run." An clegant and cultured

figure married to a Californian, Biki Oberoi has also become an expert at dealing with foreign governments for which many of these hotels are run. When asked if the Oberois manage holeis under a standard contract.

Oheroi — moved from the president (marketing and sales) when he says. "I have seen national to the international Atian Fernandes answers, every hotel in New York." arena. "increasingly so." This coates Arrangements had been made after the Oberoi group has sacrificed profits to prove itself competition with better known More important, the company knows the demands a government-owned hotel makes in the hotel for conversion to shortdeveloping. world. .

An Oberoi management contract will, include personnel out squashed the deal, but Biki training so that the hotels are Oberol continues to look. gradually turned over to national employees, even while the Oberois are still involved.
To do this, the Oberois have

found an extra benefit in their hotel school, which was started as an adjunct to the Oberoi Inter-Continental in Delbi and now trains 100 employees at a time from all over Africa and Asia, Hotel managers in numerous countries and hotel groups pwe their start to the training, for which thousands of applications arrive

annually.

with the backing of Saudi money, supplied by the husiness house of Tamini and Fouad for international chains, which Oberol has run hotels and hospitals in Saudi Arabia. to buy a New York residential stay accommodation. The difficuity of getting the residents

> The Taj group, the Oherois major competitor in India, managed to open an hotel in New York first, but Allan Fernandes notes that New York wiff truly be our window on the world and we want to get just what we want.

While the two groups get more competitive as they move into the same cities, so far they have complemented each other both in dividiog the cities of the world between them and in helping to promote tourism, especialty where the preser-vation of historic buildings annually.

The group's next major especialty where the preserambition is to have hotels in vation of historic buildings
London and New York. Biki allows tourism itself to fulfil
Oberol exaggerates only a little a bigher goal.

Management abstracts

of growth. C. W. Kyd in Management Accounting (U.S.). Dec 1981

Explains the concept of the "affordable growth rate" the annual percentage increase in sales which a company can main-tain while keeping its capital structure in balance); demon-strates methods of calculation the rate, and shows how it can be broken down ioto operating ratios; discusses how it can be used in shaping strategy and in controlling performance; butcompany vice warns of ilmitations and misuse.

Managing the financial demands Counter competition abroad to protect bome markets. C. M. Watson in Harvard Business Review (U.S.), Jan-Feb 1982 Argues that one way of beat-log off imports is to attack foreign competitors lo their domestic markets; quotes

domestic markets; quotes examples of named companies that have been successful by. eg. rapidly bullding a market share on competitors, home ground, and using a bigh degree of product differentlation. Employee participation in Sweden. N. Eiger in Industrial Relations (U.S.), autumn 1981

Examines the background to Swedish tegislation that increases employee participation, and explains why both employers and unions have approached implementation slowly

Evaluating capital projects in an Inflationary environment.
R. P. Radchuck in CA Magazine (Canada), Dec 1981 Explores ways of dealing with values, current money values, or a hybrid of the two; concludes

none works without a hitch in all circumstances. Capital budgeting in a diver-sified company. N. F. sified company. N. F Dmuchowski and W. J

Regan in Managerial Planoing (U.S.I. Nov-Dec 1981 Offers a method for evaluating investment proposals by sub-sidlarles. Outlines a capital hudgeting framework, and discusses project analyses; explains the use of discoun' rates adjusted to reflect risks.

These abstracts are condensed from the abstracting journals published by Anbar Manage-ment Publications, Licensed copies of the original articles may be obtained at £2.50 each (including VAT and p+p: cash with order) from Anbar. P.O. Box 23, Wembley HA9 8DJ.

Who keep insisting on the rules! Bertle Ramsbottom While players, point-by-point, dispute Who brought the game to disrepute. Next week: Rostering along

basis of calculation. On that footing the sum deducted on

the basis of five working days

in a week is probably nearer to the correct figure than one thirtieth of the monthly wage

I was until recently an execu-

tive director of a smallish company. X Ltd. It was and

is a wholly-owned subsidiary

of another company Y Ltd.

which in turn is the whotty-nward subsidiary of a larger.

quoted, company Z Ltd. The

chairman of X ts atso chair-

man of Y, and also on the

hoard of Z. It was recently

decided first to close the only

operating facilities of com-

Later, it was decided to sell

on the plant, trade name, etc., to an ootside party. Both decisions may have been sensible, from the point of view of companies F and Z.

and the price received, though

low, was not unreasonable,

hut the first decision, to close the operations of X, was never

submitted to, or taken hy, the

board of that company. It was taken by the chairman, doubtless in consultation with

the board of Z. The executive directors only learned of it after it had been taken, and

no hoard meeting of company

multiplied by three.

invalid.

Ratifying the

VAT on petrol I run a small hanlage busi-

ness. I own two lorries, one of which I use and the second is driveo occasionally by a selfemployed driver on a casual hasis. He is not registered for VAT. I provide him with the torry which has a tank full of petrot and he uses the lorry to make deliveries for me. The local VAT office say that I am making a supply of petrol to him and that is a taxable supply. They say that my input lax repayment must be restricted by reference to that applicable to the petrol which is consumed when the casual driver is using the inrry. Are they correct?

In the good old days we played

Was taken, in the name of sport,

Disputed when the ball was out.

And go for game, and set, and match By any rules their leaders hatch

Though, what they can themselves produce,

May get them, at the best, to deuce;

So beggoring my neighbour's trade

how the winning lobs ore made,

Which gire their overseas accounts

For all the players it is vital That no one else should win the title.

The better of the trading bounce.

As ruling senctions out of court;

And no ungentlemanly shout

But now, plas, the urge to win. Has brought a breach of discipline; With all the seeded players free To denigrate the referee.

Like decent chaps, the gome of trade. So, what the umpire said was that.

According to the rules of GATT,

In our opinion there can be no restriction of input tax. This can only be done if expenditure is incurred for non-business purnoses or in certain specific cases. In our view the whole of the petrot purchased by you was for use in your business. The fact that some of it was used when your larry was being driven hy somenne other than yourself does not alter the situation,

Definitions of tenancy In a reply under the heading

Rent increases on May 26 last we replied to two among other questions which were "What is controlled tenancy?" and "What is a regulated tenancy?"
It has been represented to us that the replies to these questioos were misleading and we agree to the extent that cootrolled tenancies have ceased in Inflation in capital investment exist and most were converted appraisal; using constant moosy into regulated tenancles on November 28 1980.

> Employer's damages

I employ a woman in my office who is on a monthly salary and recently absented herself for three days. I deducted three days' pay from her salary calculated on the basis of three working days per week, hut she reckons that the way to work it out is to take her monthly salary, divide hy 30 and multiply by three. Which of us is right? Strictly speaking the empioyer's claim for damages against an employer speaking the empioyer's claim for damages. against an employee who absents herself from work is either the value of lost output (after deducting the expenses attributable to that output; or

the cost of employing a substi-

BY OUR LEGAL STAFF BUSINESS PROBLEMS X was ever held even to ratify tute. The deduction of wages is an attempt to make a rough approximation to the latter

it ex post fact.
Similarly the decision to sell on the assets was not taken by the board of company X, and it had certainly not been ralified by any board meeting of that company helore the sale had in fact been compicted.

Conceivably, it may have heen so later, though nnt-I presume-in the three weeks for which I remained nomlnally a director of X Ltd. since I was never notified of any meeting (X still exists. in theory). There is no disput-ing that what happened to company X was in foll conformity with wbat its share-holders wanted—ie companics Y and Z-but did it conform to company law? If not, what parts of the Companies Act would 20pc2r to have heen breached?

It seems that the decisions taken without the express saoction of the board of X Ltd. were invalid for want of authorisation. However, the court will not interfere in such a case if the board ratifies the invalid decision; so that there is nn remedy available if the hoard of X Ltd is controlled by Y Ltd, to the extent that: Ltd can ensure the format. ratification by X Ltd's board of the decisions which have been taken and acted upon.

No leval responsibility can he accepted by the Financial Times for the enswers given in these columns.
All inquiries will be onswered by

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By: The Royal Bank und Truut Company, Trustee

30th July, 1022

NOTICE TO BONOHOLDERS OF ASIA MAYIGATION INTERNATIONAL LIMITED BERMUDA NOTICE IS HEREBY GVEN that the Resistor of Members of World International Itelelines! Limited. ISIN Floor. World Shilpoing Centre, Harbaur City, T Canton Rado. Rowlood, Hond Kone, will be closed Irom 13t. Sabitumber. 1982 to 10th September. 1982 both days inclusive. May of the Control of Control

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Secretaries

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Wilternstad Curacuo Netherlands Antilles 3rd August 1982

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NOTICE TO HOLDERS OF MASSMUTUAL MORTGAGE AND REALTY INVESTORS FINANCE NV

Dated: July 29, 1982

8° GUARANTE O CONVERTIBLE BUBOROINATE O DEBENTURES OUE 1994
NOTICE IS HEREBY GIVEN that copies of the Annual Reports of Massmutual Mortgage and Realty Investors and of Massmutual Mortgage and Realty Investors Finance NV for the year enged October 31 1991 aru available for inspection by the holders of the debontates at Chemical Bunk, 180 Strand, London WC2R 1ET. England. Attn. Mr Geoßrey Porter. Securities dy Massmutual Mortgage and

dy Messmutual Moriguoe and Ruulty investors und Mussmutual Mortguge and Realty investors Finance NV

PUBLIC NOTICES

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11.5.64ths. Mutring 3.11.82. Applications 167m Bills outstanding £21.5m.
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1.12.4 April. 1024 appli.
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It must be said first of all that the Paris Opéra Le Songe d'une Nuit d'Ete, which is to be seen all this week at the Opera

House, is a feast of dancing.

The staging, given on Monday

for the first time in London, is

by John Neumeier. Made initi-

ally for his Hamburg company,

it is also performed by the Royal Danish Ballet, but whatever idiomatic niceties of utterance may be seen with the Hamburg Ballet, or whatever inchanged in character playing

richness in character playing

theDanes bring to the piece, neither company, I am certain, can rival the Opera artists in classic prowess, in refinement

and gleaming bravura of dance.

Television

Malcolm Rutherford

A week of holiday camp

It is not perhaps the best time of year to write about television: so many old movies and ao much

Nothing wrong with that.

Anyone who is tired of Some Like It Hot, shown again on BBC2 on Sunday evening, is tired of life. It is one of the great comedies of all time, and not only because of Marilyn Monroe. Tony Curtis also has star quality. The plot is classical: it rests on mistaken identities and people dressed up as somehody else. It deserves to take its place along with the best of Sheridan.

It was a good Test Match. Although England won in the end quite comfortably, the result was often in doubt. There was infinite pleasure in seeing Imran Kahn effortlessly hitting the England bowling for six just hefore the second Pakistan innings concluded. And while one enjoys watching lan Botham doing the same thing to the opposition, it was peculiarly gratifying for once to see him out first ball. Cricket is a great

Sport intruded in another way. On Saturday morning ITV showed a Tyne Tees programme called Robson's Choice. Bobby Robson is the manager of Town and now of England. As almost everybody knows, Ipowich is one of the most successful and attractive cluhs in Europe. They have players who can flight the ball as accurately as a backhand passing sbot in tennis.

There is no obvious reason why this should be so. The town able to transform football has few resources of its own to almost into a different game draw on. Robson's roots, how- and, from small means, to table? ever, are in the north east and it is from there that he has gone seeking talent. That was tion, and teaching the use of what the programme was about: the open space, that seem unthe training and apprenticeship of schoolhoys from places like industry, one concluded, could it all came back. Here were was chris Barber and his hand.

The training the fine training the use of marvellous.

Mr Bygraves is, to me at least, much less good Soturday Live on BEC 1. One of the guests tainly did, bow when necessary.



Roy Jenkins, Marilyn Monroe and Des O'Connor

It was not an especially good programme, being both too long and begging too many questions. Mr Rohson also has a tendency to look as af the decay to tendency to look as if he is it has to go on competing to about to hurst into tears. Yet stay on top. there were some remarkable insights. "I weighed it up with my Dad," said one boy, whether I should follow him into the shipyard, and we decided that football was a

better career." What came out most of all, and should have come out more, was the sheer dedication. How is it that Ipswich have been the club financially viable? There is a quality of imagina-tion, and teaching the use of

This star quality — or rather the lack of it — came to mind during the various chat shows which came on between the movies. One of the most promising is Des O'Connor Tonight, a repeat from BBC 2 which appeared on BBC 1 last Thursday. Mr O'Connor has two roles: he is both host and performer and that is the problem. He never seems to know which to give most vent to. When he went alongside Max Bygraves singing old wartime favourites like "Run Rabbit, Run" it was

professionals, larger than life, enjoying their performance and playing up to each other. They were not ashamed to introduce the element of camp which io an indispensible part of putting on a show. The reason why Danny La Rue, for instance, is so outstanding is not that he plays drag, but that he is such a good actor capable of inspiring --camping up -- the others.

In the host's chair, however, Mr O'Connor aubsided, hardly more than a feed man to his guest Jeannine Burnier, and uncertain when to intervena, if This is a confusion of roles which is common to other television compères.

The thought of missed oppor-

"Tell me," said, I think, Simon Bates, though it may have been Gloria Hunniford, "whatever happened to trad jazz?"

Mr Barber seemed slightly taken aback, but he is an articulate man and began to explain that it was alive and wall. (There is, in fact, a splendid article about it by John Wain in the August edition of Encounter.) He was then allowed to play for about two minutes It seemed a terrible waste, both in assembling the band in the studio in the first place, and then in not letting him talk. The history of the band would make an excellent programme in its own right.

There were other supposedly more oerious programmes, to be sure. Mr Roy Jenkins acquitted himself well on Tyne Tees' Faca the Press on Sunday morning. And there was the extraordinary episode (The Underground Test, BBC 2 on Friday) of the two couples who Friday) of the two couples who volunteered to opend 10 days in an underground nuclear shel-ter. Extraordinary hecause, in the event of nuclear war, the only points of interest would have been what was happening the world putside, and how and if communications were being maintained. As it was, it was entirely artificial and of no consequence wbatsoever.

distinction hetween serious television and entertainment is, in any case, a false one. What one wants is that the programmes should be pro-fessional. In this, Marilyn Monroe, Ian Botham, Imran Kahn, Max Bygraves, Chris Barber and even Roy Jenkins all have something in common. They are all stars. They love "theatre" and each of them knows, as Marilyn Monroe certainly did, bow to ham it up

This A Midsummer Night's Dreom is typical of Neumeier in its theatrical adventurons-ness, as in its audacities of

structure. Shakespeare's tale of lovers and fairies becomes a fantasy which Hippolita dreams on the eve of her marriage to Theseus, in which she becomes Titania, and Theseus turns into The action is cleverly

managed, with the drama played out in the lengthy first act, the second act serving merely to show the wedding divertisse-ments (which include an uproarious staging of Pyramus and Thisbe by the mechanicals). And Mendelasohn, of course, is And Mendelasonn, of course, is used, but his incidental music to the play, plus certain other works, are reserved for the mortals; the fairy world is evoked in a sequence of organ studies by György Ligeti, whose shimmering, sonorities are exactly matched in the misty forest of Jurgen Rose's stunning designs by the sheen of tights which dress the fairies, and the translucently green bushed which are manoeuvered about the stage as sole and eminently satisfying setting. (The "real" world of Theseus' court is shown, most handsomely, in Regency style).

Neumeier's choreography seems to me more attractive in the decently academic writing he uses for the mortals than in the acrohatic language which he adopts for the fairy characters, but interpretations are uniformly persuasive by the lovers and the demizens of the forest.

As Hippolita, Noella Pontois gives a performance of gentle grace and total authority. Her dancing is always impeccable and flawlessly easy—there is

Dream/Covent Garden

Clement Crisp



Noella Pontois as Titania

rare pleasure in watching a prima ballerina so truly mis-tress of her art—and in the duet with the ass-beaded Bottom she suggests a sensual happily crazed. ahandon which is all the more effective because so elegantly

From Monique Loudieres as the sadly and hilariously put-upon Helena, and from Florence Clerc as Hermia, portraits of greatest charm, exactly matched by the pomposity of Bernard Boucher's Demetrius and the soaring grace of Charles Jude's Lysander. Jean-Yves Lormeau is a Theseus princely in manner as in technique; smaller roles are given with sweetest skill by

Laurent Hilaire, Olivier Patey, Fanny Gaida, Isabelle Guerin, Françoise Legrée; the mechani-cals, led by Georges Piletta, are

And Patrick Dupond is Puck. Young M. Dupond is a virtuoso who deploys an almost gymnastic technique with a mad-cap assurance and the livellest sense of humour, to make Puck (who is also Philostrate) the most beguiling and dazzling of heings. It is an unforgettable and irresistible interpretation. But so, most pleasant to report, is the entire company performance: we see a great ensemble at full and mag-nificent stretch.

Parsifal—the centenary production

A century ago Wagner pro-duced Parsifal in the Festival Theatre at Bayreuth devised and built by him not many years before. He died in the following year. Porsifal was guarded by widow Cosima like the Holy Grail. King Ludwig might allow himself purely private performances in Munich, but as far as the public was concerned, the Berne Convention secured the work for Bay-Wagner's death. America was free - Parsifal was given there early in the century in a staging closely based on the original and with some of the original singers, who were not invited back to Bayreuth. In 1914, when copyright expired and there was a rash of Porsifals across Europe, the Bayreuth production pattern was

largely followed. Even so, the link between place and work was not severed. Porsifal remains a Bayreuth speciality, to be most fully savoured on the Green Hill in the marvellous acoustics for which the music was conceived. Wagner's own otaging set the Wagner's own staging set the style for a long time. His strange, teasing, often impressive. The full conception is only revealed in the first Grail festspielhaus in 1951 after the post-war gap. With gradual a rectangular tower formed of modifications this staging was ranks of round Chirico-arches, the given for over 20 years. Brother lying on its side, seen by the Wolfgang's recent, more naturalistic successor did not roof becomes the backcloth and hreak essentially new ground. That has been left for Götz Friedrich in the new production mounted in honour of the cen-

tenary for the opening of the

a masterpieca still vital in spite of constant presence in the repertory, still open to multiple interpretation, still capable of igniting controversy. Is Porsifol a religious work? Christian, Buddhist? Moraly good or evil?

Decadent or cleaning? Anti
Of gravity and perspective, spine and partial solutions apparently defying laws perbaps become more a question of gravity and perspective. Parifal-Gurnemanz and Parsifal-Gurnemanz an Semitic? Or so complex that it is many, perhaps all, of these things at once? No single interpretation is likely to solve one can hardly deny that, in

cause a surrealistic shock that

Ronald Crichton reviews a new production of Wagner's

last great work

the puzzle. Friedrich at Bay-magically ingenious and atmorenth sometimes illuminates. spheric lighting by Manfred sometimes obscures. After one viewing, one can do little but

try to describe. Gone are Wieland's tilted disc and mysterious simplicity inherited from Craig and Appia. Andreas Reinbardt has designed a monumental basic setone of the sides the stage floor -arches there too, in the form of silver paddling-pools which the singers sometimes avoid. sometimes walk unconcernedly through. In the forest scenes

spheric lighting by Manfred Vess, the result is as likely a setting for a clusted community. inaccessible and decaying, as Joukowsky's often-reproduced fantasy on Siena cathedral for the original production.

The new temple scenes are

strikingly contrasted, the secood

a sinister near-snambles turning slowly towards optimism after Parsifal's healing of Amfortas Some phrases in the garden and succession to the leader-scene were loosely controlled, ship. Now sunlight steals in yet delicacy of shaping and snip. Now sunlight steals in as crowds gather, including young women—presumably hower-maidens released from bondage. The flower garden of the second act on the other hand is a nasty, steely clutter.

Single Now sunlight steals in yet delicacy of sbaping and colour brought frequent delight. Stage in any of the character'o aspects was never in question. She even carried off some routines with trailing scarves.

of art than of nature. Mr Hofmann's tone thinned out in blg scene with Kundry (where memories of Vickers inevitably intrude) but he showed a new assurance and command at the end of the opera. The Gurnemanz of Hans Sotin, nohly voiced in velvety cantabile, was verbally indistinct in the first act For the narrator of narrators that won't do. Amfortas is Simon Estes, a king more obviously, grievously stricken than most, admirably sung—no difficulty with words here. This Amfortas is not carried on a litter but staggers. supported on a croos-visually effective, symbolically confusing. Franz Mazura pushes Klingsor to the verge of caricature.

Leonie Rysanek, whose connections with the Festspielbaus go back some 30 years, sings her first Kundry there. The voice remains full and expressive. Klingsor's tower remains on approaching dangerously near stage, as Kundry's bower. The to parody. Friedrich's ability stage, as Kundry's bower. The to parody. Friedrich's ahility maidens are grouped with less to suggest currents of tension than Friedrich's usual flair. flowing from character to Their bedraggled, turn-of-the character came out otrongly in

little tenous in the more lightly-scored pages. Levine was accused of slowness, but the trouble perbaps was more an overdose of modesty and a slight misjudgment of the orchestral vitality that can safely be kindled in the sunken olt at Bayreuth. For the first temple scene, conductor and producer ance of the knights, saving the full power-of the superb cborus for the ensemble after the un-veiling of the Grail, a passage normally fated to jerk English listeners into the world of

Tristan the following evening was the Ponnelle production re-viewed by Max Loppert last year, when Rene Kollo was lo-disposed. Kollo is a light-voiced Tristan, equally light of physique, with the impish quality of his young Siegfried peeping through the impression of a still youthful man who has already suffered more than his fair share, a portraval intelligently adapted to the artist's unheroic but not negligible vocal means.

Barenboim's conducting of the work has grown greatly in stature since his first Triston at the Deutsche Oper in Berlin tadmittedly with a less polished orchestra and a brutal acoustic). Now he found the fire and the fulloess sometimes and so far lacking from Levine's

Osborne's Symphonia/Albert Hall

David Murray

tive symphonies introduced at this summer's Proms, the title played down the Initial appear. of Nigel Oshorne's Symphonio (a BBC commission) might same. Osborne, now 34, is not given to perpetrating sharp surprises. Though the advance description of the work suggested modern music imagined by Peter Simple—first movement A Lament for the Ulster

tragedy, second inspired and encouraged by Caribhean Reggae—yet implied no trail-breaking: an anxiety to be 'relevant.' perhaps, and some ingratiating use of folk and popular material. Monday's premiere, with the BBC Symphony very oym-pathetically conducted by Lionel Friend, made a quite different impression—not easy to charac-terise, for Osborne's music regu-

larly eludea categories, ao diffidently and unspectacularly as to leave the friendly critic at a loss. A list of what it doesn't are cound like is boring; positive descriptions fit too loosely to be comfortable. With apologies, then: the first

movement is sustained threnody for massed strings, circling round the song 'The Little

F.T. CROSSWORD

PUZZLE No. 4,940 ACROSS

(which is never ls called upon to reinforce no strinking coups of orchestra- brigs.) tion or of construction. In the raggae-inspired movement, the marginal drums of the threnody move purposefully towards the centre, and there is a controlled

riot of drumming and rocketing

wind-hursts.

After four hearings (on radio and tape) I have found no limp stretch in the Symphonio; and yet what marks the music — beyond its individual feeling, steadily coosistent - is reticence, caution, a refusal to fake conviction. In the threnody the string-textures are almost palpable, often thickly knit (though never opaque), and Mahler can he detected a long way behind; hut melodramatic anguish never boils up as ex-pected, and the crucial moments are pausés for stunned refleu-

Again, the reggae-fantasy swing; in fact, the music periodically totters and sits down to take breath (which is how it seats.

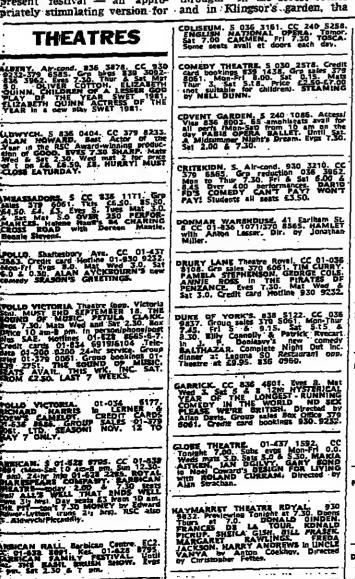
refusing to carry presented quite on its own through the sweeping-off-feet terms). Occasionally a horn routine. (Though the coda of "Hey, Jude" seems to have a lyrical line, or muted brass guided a central sequence of or a climax, but there are collective chant and drumcollective chant and drum-

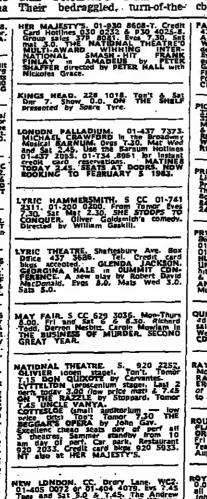
The effect of all this is not evasive or even lukewarm, but quite candld and direct. That is very largely hecause writing, in its temperate way, is original beyond its surface smoothness — no second-hand gestures, few easy devices. There are astonishing sonorities based on mass woodwind trills in the reggae movement, but Osborne does not brandish them at the audience. The piece seems built to last.

Booth takes £2m for West End

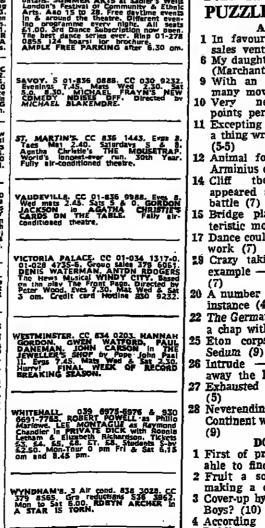
The half price theatre ticket hooth in Leicester Square clocked up its 500,000th sale yesterday. It has been open now for 20 months and in that: might naturally have aimed for time has taken £2m io revenue exuberant racket and infectious on tickets for that day's theatre performances which otherwise have meant lost

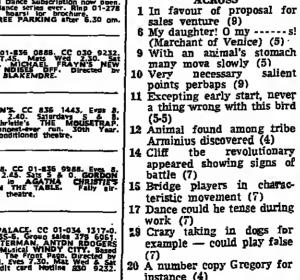
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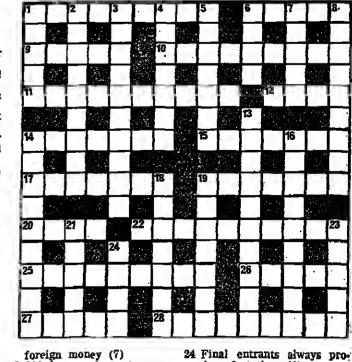


20 A number copy Gregory for instance (4) 22 The German follows girl and a chap with a poker (10) 25 Eton corps manoeuvre at Sedum (9)
26 Intrude — fathers' taken
away the lock (5)
27 Exhausted having paid out Neverending summer on roughly (9)
Continent with naval friend? 13 Where in Surrey vehicles 28 Neverending summer on

DOWN 1 First of primates evidently making a drink (9) 3 Cover-up by the learned Old

Boys? (10)

to Johnson, Dublin not as bad as here 21 Disposed to a homily (5) 5 Being born with name like



foreign money (7)
6 Old honoured monk maess eastern Scandinavian (4)

7 Edge in church; it's a sin 8 Allowed to do a letter

stop and no going back (10) 14 Such as the Sound of Music boxes for museum exhibits

able to find a nut (5)

2 Fruit a sound help when 16 Pace fit for Veronica (9)

18 Petition heard that is plain 19 Southern Region laave spare time maybe for a snack (4-3) 23 Very dangerous to chance

duce fast time (4)

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FINANCIAL TIMES

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Wednesday August 4 1982

Subsidies and commonsense

POLITICIANS have a tendency to yield to the imperative of big numbers, particularly when validity to the promotion of new tions hecome proportionately greater. How true is the present government to its liheral economic principles?

Certainly it bas shown far greatar determination than its predecessor to tackle the fundamaking capacity that has had tough.
such a devastating effect on
employment in South Wales and
Inves elsewhere. Or that the Linwood car plant near Glasgow, the subject of one of the last Lahour covernment's more expensive hail-outs, would have been allowed to founder with so little fuss under a Lahour government -or. perhaps. one in which the Liberal/SDP Alliance held

there are signs that the Govern-ment is finding it harder not to bend to to the political wind. One indication was its readiness to offer £100m of subsidies to keep British Aluminium's smelter going at Invergordon in Easter Ross. And it now faces a similar test at Shotton in North Wales, an area hadly hit by steel closures, where the Finnish forest products group United Paper Mills is looking for substantial Government assistance for a new paper mill.

should make every effort to prevent needless closures; the more so where, as at Inves-gordon, the plant has consider-able regional importance and political considerations. But a potential comparative advantable that effort should tage. Offers of largesse to linclude the offer of substantial ducks have, in the main, been subsidiled to highly constitutions.

As for the proposed pulp and paper mill, there are obvious attractions in a project which exercising patronage with tax- will use British timber, save payers' money. It is a generali- imports and create jobs. But sation that applies with equal the experience of the Fort William pulp mill in Scotland, industries, the propping up of which was closed in 1980, should old ones or the procurement of provide a warntog about export contracts. As unemploy-government-backed projects in ment in Britain rises, output this field. There is a risk that remains depressed and the subsidies to offset Britain's election approaches the temptanatural disadvantages in pulp and paper manufacture would lead to a misallocation of resources which will not secure lasting employment.

There are few more expen mental problems of industrial decline without resort to the financial soft option. It is hard to believe that a government under Mr James Callaghan, whose own constituency is in South well-as the more heavily side. sive ways of creating jobs than whose own constituency is in sidised, politically-inspired pro-South Wales, would have jects are almost by definition presided unflinchingly over the likely to be the marginal ones contraction in Britain's steel when the economic going gets

Investments

Big capital intensive investments by foreign multi-nationals or major manufactur-ing companies from outside the regional economy have not proved conspicuously effective dynamic in depressed areas. The traditional instruments of regional policy, such as cash grants and tax breaks look increasingly inappropriate when the emphasis in joh creation is shifting from manufacturing towards services and small firms are playing an increasingly important part in high technology

industries.

This diagnosis is not particularly helpful to the politician who wins acclaim and newspaper headlines by playing the big numbers game—except, ironically, in the public sector where the Government is still firmly opposed to the one form firmly opposed to the one form of outlay that would create many jobs at low real cost and with little impact on the PSBR: Clearly the Government investment in public works such sould make every effort to as sewers, roads and housing. Elsewhere the dispensing of taxpayers' money should be directed at facilitating strucniral adjustment and making the best of opportunities in ment was heavily influenced by those sectors where Britain has subsidles is highly question temporary lapses. And so it should remain.

Kenya—a warning to the West

THROUGHOUT Africa there The ruling Kenya African are signs of distress. The con-National Union, a rigid and often hulent and testing period ing Mr Kenyatta's day has he-Ghana and Liberia have harsh come less rather than more military regimes, unable to country s problems. Zaire struggles under overwhelming debt oblizations. Mozambique faces a growing insurgent mavement. Zimhabwe is riven by a tribally hased division—and these are. just some of the examples.

Perhaps the most disturbing case is Kenya, where last Sunday's coup attempt against the Covernment of President Daniel Arap Moi cost over 100 lives. left Nairohi shops looted and placed country's standing in iecpardy.

The strains that Kenya has heen under — increasing which have increased during his economic difficulties exacer time in office. A major factor hated by a weak Government in a growing halance of payresponse and accompanied by ments deficit is the impact of quell critics-are common to imports consumed 1 per cent of most of Africa. But if the export earnings in 1973, but 36 strains become intolerable in a country regarded until recently as more moderate than most and Serious
a secure base for Western investment, what are the prospects for the rest of the con-

Tensions

The former British colony emerged from the tensions of Mau Mau under the estute leadership of Jomo Kenyatta and followed a post-independence strategy that some saw as an African model.

When President Kenyatta died in 1978 the orderly constitutional transition to his successor. Mr Moi, was admired within and outside Africa. Mr Moi continued his predecessor's policies, but took a more active role in foreign affairs (including a much appreciated military contribution to the Common-wealth monitoring force in Rhodesia after the Lancaster Housa settlement), maintained close links with the West.

The failure of last Sunday's coup will have brought relief in the West and in most of Africa. But it will bave severely damaged a reputation which was already beginning to crack. Little is known about the plotters and their mutives, other than that they were middle ranking air force officers who espoused a papulist line.

tinent is in the midst of a tur- unresponsive organisation durcome less rather than more flexible under Mr Mni. Recent resolve their country's problems months have seen moves toward tighter state control, including detentions, the creation of a one-party state (making de jure what had existed de facto) and the sacking of a critical newspaper cditor.

One reason for these develop-ments is the impact of the economic recession. Johlessness and land hunger-in a country where 80 per cent of the land is and and the 17m population will double in 20 years—provide a platform for critics. President Moi inherited serious economic problems, temporarily disguised by the 1976 coffee and tea boom, some authoritarian measures to the rise in fuel costs. Oil per cent in 1981.

Like neighbouring Tanzania (which must now produce over 13 tons of tea to buy a tractor which cost five tons of tea in 1972). Kenya has been hard hit by rising import costs not matched by returns for ils exports. But there are also some serious shortcomings in domestic nolicies - notably pricing-which have been a factor in the fall in agricultural growth from nearly 6 per cent a year in the first eight years of independence to under 2 per cent

in the last six. Low crop prices are a device by which African governments unwisely force farmers to subsidise the towns. The result is that production falls and Kenva. like many other African countries, finds it difficult to feed itself. The country's predicament may provide warnings hoth for Africa and the West. One-party states provide too few safety valves for the expression of dissent, whether it he critirism of economic policy or prolests against detention without trial. The West should be aware of the great strains now being faced by African countries and should help Kenya through Its economic troubles. But external aid needs to be matched by

By Guy de Jonquieres in London and Louise Kehoe in San Francisco I MITATION may be the sincerest form of flattery. But for International Busi-

it is a pain in the neck. Since the mid-1970s, IBM has had to contend with a group of much smaller rivals whose sole business is making "clones" of its larger machines and selling them to its customers. IBM has struck back with a

ness Machines, the world's

largest computer manufacturer,

variety of counter-measures. But it bas not stopped its imita-tors, known rather cumbersomely as the Plug Compatible Mannfacturers (PCMs), from carving out a sizeable market. In the U.S., where they bave heen most active, the value of their installed machines is almost nnefifth of IBM's \$44hm. Over the past few years their annual growth rate has averaged about 25 per cent.

The PCM business was born in the U.S. and the majority of the best-known companies in it are American. But behind most of them stand large Japanese electronics manufacturers, which have marked out IBM as the prime target in a leaders in information proces-

Today, however, the PCMs— and the Japanese—are reeling under a major blow from an unexpected quarter. The U.S. Federal Bureau of Investigation has charged Hitachl and Mitsubishi of Japan with "conspiracy to transport stolen property belonging to IBM. Also charged are two former employees of National Advanced Systems (NAS), part of National Semiconductor of the U.S. NAS sells

A major blow from an unexpected quarter

"mainframe" machines made by Hitachl.

The defendants in the case, which has been dubbed Japscam," are all accused of involvement in purchasing con-fidential documents about IBM products and technology. A number of the documents were supplied through Glenmar Associates. a California "front" company set up by the FBI and operated in close co-operation with IBM

Hitachl and Mitsubishi, which is preparing to enter the PCM business and has recently signed a development agreement with IPL, a small U.S. PCM company, have denied act-ing illegally. But ripples from the case bave already begun to

uter the affair the FBI announced that it was awarding a \$17m computer commercial rewards for the sucorder to IBM, even though NAS cessful, the casualty rate is blgb. had submitted a lower hid. An FBI spokesman has said that the decision was made because the Hitachi machines offered by NAS included technology "improperly obtained" from IBM. Mr David Martin, executive hard times. And Amdabi Corp, vice-president of NAS, thinks though backed by a strong

that IBM's a steep fall in profits. customers will want to preserve a choice among suppliers, and

that the PCMs can continue to marsbal the financial and tecbnological resources needed to stay in the race. advanced Whatever the outcoma of the this month, the case underlines the hrutally competitive nature of the PCM husiness. The PCMs do not make carnon petition. copies of IBM computers. But they depend vitally on getting large amounts of detailed tech-nical information about IBM's

planned products so that they can match their specifications Clnes are gleaned from a variety of sources: from advance releases from IBM about forthcoming models, from reports written hy specialised "IBM watchers" and from educated

THE PERSON OF

IBM bas retaliated increasingly by making small but fre-quent changes to key design features or concealing them completely. Though the PCMs can usually catch up, such tactics cost them valuable time. In the computer industry, a few months delay in a product laupen can mean millions of dollars in lost revenues.

"The PCM business is almost by definition a high-risk game, and the companies are always getting into trouble," says Mr Ulric Well, electronics industry analyst .with Morgan Stanley, the New York investment bank. Under such tremendous pressures, it is conceivable that individuals were driven into

Though there are handsome commercial rewards for the suctoo. Itel, which leased PCM machines, collapsed in 1980 and its assets were taken over by National Semiconductor to form NAS. Magmison once an industry leader, bas fallen on hard times. And Amdahi Corp,

that the PCMs will recover. He balance sheet, recently suffered The origins of the plug com-

IBM

patible business date back to 1970 and owe much to the inspiration of one man, Dr Gena Amdahl, formerly director of computing systems lahoratory. A brilliant circuit designer. Dr Amdahl realised that rapid technological change was making IBM vulnerable to new types of com-

decline in the cost of electronic commonents was making it possible to design computars which replaced for the same price. offered more performance than Orders for PCM machines tem-IBM's range for less money. The heauty of the scheme was that PCM equipment could ha tomers' installations and would it has continued to act aggresuse the same applications software—the programment of the same applications of the s ware—the programmes which tell computers bow to perform different tasks.

Most computer nsers' single biggest investment is in soft-ware. IBM customers, who account for mora than half of pliers also had to rewrite all their software. Because of the time and cost involved, most

owns more than 30 per cent of its equity and supplies it with Amdahl claims that the value of its total sales is the bighest of any PCM, though NAS, which also sells smaller machines, claims to have installed more computers.

THE LARGE COMPUTER MARKET

Until now, the blggest setback to the PCMs occurred in 1979, when IBM stunned the industry by launching a new range of mcdum-size com-He saw that the dramatic puters, the 4300 series, which seline in the cost of electronic offered up to five times the performance as the models they porarily dried up, and Itel was forced into hankruptcy.

of new products and pricing them very keenly. Some of its defensive strategems have rebounded, howaver. It vastly under-estimated initial orders for the 4300 series, and PCMs wbo rushed out comparable machines were able to cash in

buy them on the open market. That move gave Japanese chip suppliers, who bad been buildstayad loyal to IBM.

Amdahl Corp was set up in 1971 with the aid of financing from Fujitsu of Japan, which is supplied, which is group production capacity since the mid-1970s, the chance to corner a sizable part of the U.S. market.

HOW THE LEADERS COMPARE

Value of large "mainframe" computers installed worldwide, end-1980

Two companies' com	pined sales	Sau	anti Intone	tional Data C	occostin-
All suppliers	38,676	15,635	58,165	24,204	136,680
BM	22,219	4,514	.39,403	7,410	73,546
litachi	0	2,410	0	20	2,430
Fujitsu	IS	3,221	0	188	3,424
Cambex and IPL*	10	0	3	. 0	13
Magnuson	6	0	45	0	51
NAS	190	5	208	166	869
Amdahl	260	0	830	235	I .32 5
Companies	W. Europe	Japan	U.S.	Kest of WC	

IBM pulls out the plug

customers have benefited from in the near-term. Funts and the competition, which has Hitachi are in any case prespurred IBM to step np research wented by their agreements and development spending and with Amdahl and NAS respecto invest massively in automated tively from entering the U.S. production. "IBM has revolu-market directly for several tionised itself in the past few more years. Nippon Electric

consultants Arthur D. Little.

He believes that IBM's manu-facturing efficiency is now so great that it will be increasingly difficult for the PCMs to com-pete directly with its mainframe computers in future. To survive. he predicts, they must turn to making computers that are far more powerful than IBM machines or to producing IBM-compatible peripheral equipment like disc drives, terminals and data communications pro-

That is already bappening. About balf of NAS sales are of computer peripherals. Amdahl has been slower to diversify, but it recently entered data communications and plans later this year to start selling disc systems supplid by Furitsu. Dr. Gene Amdahl, who left Amdahi in 1980, has formed a new venture, Trilogy Systems, to devea super-computar which would run on IBM software.

The PCM explosion has also bad another important result. While it has not helped IBM's business in the short-run, it has reinforced the dominance of IBM-type systems as the de facto standard for most of the world's large computer users. A custo-mer who opts for a PCM compnter today could, therefore, always switch back to IBM later

Either way that provides little consolation for manufac turers like Burroughs, Control Data, Honeywell, NCR and Sperry Univac which make machines which are not IBMcompatible. Their combined sales of large computers have not kept pace with the growth of the overall market recently Though some have experi-

mented with selling IBM-compatible computers, it would probably be sulcidal to try to turn themselves into fully-flowed PCM's: they would risk losing existing customers while losing existing customers, whila exposing themselves to fierce all large "majnframe" computers in use, have about \$300bn locked up in it. Until the advent of the PCMs, IBM users who switched computer supmarket niches which call for specialised solutions to particuar customers' needs.

Many are also pinning their bopes on the development of new techniques which would enable computers made hy different manufacturers to communicate freely across networks. A group of 20 com-panles, led by Britain's ICL and including most of the major U.S. manufacturers except IBM. agreed recently to develop common standards for local area networks, which are designed to link different pleces of equipment in tomorrow's electronic

Whatever the fall-out from the Japscam case and from IBM's tougher business methods, most industry analysis do not expect be quietly confident that its own Japanese suppliers of large rate of technological innovation

However, the company and its seas marketing strategies much years," says Mr Frederic With- Japan's other large "main-ington, computer industry frame" manufacturer, makes specialist with U.S. management computers which are not IBMcompatible and has not tried hard to export them to the

The Japanese have also approached Western Europe through the back door. Furnsy relies mainly on marketing and distribution arrangements with Siemons of West Germany and ICL (which sell the Japanese machines under their own names). Hitachi has similar agreements with the German

BASF group
So far, bowever, the results
of these arrangements bave
heen less positive than those achieved by Amdahl and NAS, which sell directly in Western Europe.
"The Japanese have a real

problem." says Mr David Fair-bairn, director of Britain's National Computing Centre. "They don't like going in cold and setting up in the market. They feel that to succeed they need either a clear product advantage or an alliance with an appropriate organisation."

Mr Bob Fertig, president of Enterprise Information Systems, a U.S. market research firm which has studied the PCM market closely, points out: "Marketing and support organ, isations are expensive to set up from scratch. They just can't l be created overnight."

Yet there are signs that Japan is seeking to map out a different

Japan sponsoring a radically new computer

course for the longer term. Its government is sponsoring a massive project to develop by the early 1990s a radically new type of macbine called the Fifth Generation Computer. would have limited wbich powers of reasoning and would embody a number of advanced information processing tech-

The Fifth Generation Compoter is at present not much more than a concept, and it is uncertain bow the Japanese propose to turn it into a practical reality. But many computer experts, including Dr Gene Amdahl, believe that one of its main objectives is to wrest from IBM the initiative in shaping the future development of com-

Western experts who have discussed the project with the Japanese are impressed by their determination and the resources they are prepared to commit. But Dr Fairbairn observes: "IBM may prove a little difficult to circumnavigate. It appears to computers to change their over- will exceed that of Japan."

Men & Matters

Fall out

The Electricity Council is the first nationalised industry off the mark to try to catch up with such private sector giants as Unilever and ICI by produc-ing a modern business history. Ynu might even be unkind

enough to say the council is running hard but is still far behind. Professor Leslie Hannah, who runs the London School of Economics business history unit, is publishing this week his new official history of the early years of electricity nationalisation. But Engineers, Managers, and Politicians, published by Macmillan, price £15, covers only the first 15 years.

Hannah was given a guarantee of academic freedom, free access to the industry's archives, and no censorship by the coun-cil, when he started his researches in 1979. But be was told in no uncertain fashion that his freedom to roam was only good for events before 1963.

The industry is still smarting over mistakes after that date on nuclear power and the overordering on the wider power station programmes. He tells me "I think the British got the worst out of nuclear power. We spent money on nuclear stations in the days when it was un-economic. By 1965 we were generating more than half the nuclear power in the world. But by the 1970s when nuclear power became economic as oil prices rose sharply we had begun adopting an unusual role as the only big industrial nation not to be making new nuclear

The private sector of industry can be equally coy. I should

investments."

say in fairness. ICI's magisterial two-volume history stops in 1952. Courtaulds went rather further; the third volume of its up the range of fragrances to grade petrol about avery 300

Hannah's account has the

strength of heing written from the inside. It tells how a nationalised industry does work rather than how it should work. the massive expansion of the Magnox nuclear reactor programme, which was Insisted noon by Harold Macmillan in the ensuing panic after Suez, reads as one of the mora credit-able episodes in the history of nationalised Industry resistance

to Whitehall errors.

The Electrcity Council history only serves to whet the appetite for more revelations from the public sector. Still tn come are the post-war histories of the coal board from Professor Ashworth at Bristol, of the Atomic Energy Authority from Professor Margaret Gowing at Oxford, and of British Rail from Dr Terry Gourvish at the University of East Anglia. Those industries no doubt hope to improve their images. But all the academics concerned have Insisted upon safeguards for their freedom to comment.

I look forward some squibs set with long-burning fuses when the histories of the re-maining nationalised histories begin to appear in print.

Smell of success

Few companies are reporting 40 per cent increases in turnover this year. But Roger Knowles has made it with his Woods of Windsor business callwoods of windsor outsides caring itself "traditional English
perfumers." Knowles is shy
about quoting figures—"it
makes the competition crawl out
of the woodwork."—but be will say that in the coming year he expects turnover to hit £2m.

Only 50 yards from the very castle that Nancy and Ronnia stayed in recently, Woods of Windsor was an old chemists' business bought by Knowles in history takes the story up to ten using formulas dating from the 1790s which he discovered

· Ahout 100 Wooda products are the Hong Kong-Peking rally now heing sold in 40 countries and export sales account for nearly half the turnover. Every department store in Tokyo car-ries Woods items. That is a matter of great satisfaction to Knowles who points out that it is possible to sell to Japan— But you do have to overcoma the non-tariff barriers such as formula regulations." This week the Woods U.S. subsidiary also

began trading. Pomanders are among the range but they have bacome expensive because, says Knowles, "the English china people have priced themselves out of the market." Perfumed candles and scented drawer liners are among

There is also a novelty: an aluminium ring with a scentchannel which you place on the bulb of the table lamp-just the sort of thing to bors early for Christmas with, I say: but it is selling well.

Left hand down

Ten flat tyres and threa daad chickens after leaving Hong Kong a small convoy of vehicles plastered with capitalist edvertising slogans arrived in Peking this week. They had been for a 2,000

mile drive mostly through parts of China which haven't seen a foreigner, or indeed a western rally car, since the communist takeover of 1949.

Phil Taylor executive director of the Hong Kong Automobile Association, rings to say that crowds sometimes several miles long lined the route. And in an unusual gesture of support for a country which normally bans foreigners from driving between its cities, the Chinese govern-1970. Since then ha has built ment provided tanks of high miles to help the convoy on its

This has been a foretaste for

which will take place next year and which is now seen in be part of the political process of edging wider China's "open door" policy towards the capitalist world.

Peking has already completed several agreements with western motor manufacturers to huild cars and trucks in China. And racently a Chinese mntor sports association was set up under the aegis of the sports

The "Hong Kong-Peking will itself be a forerunner to a altngetber more arduons rally in 1983, a re-run of the 1907 Peking-Paris marathon which will pass through 18 countries on a route of 12,000 miles.

The London organiser of the Peking-Paris rally, Wylton Dickson, has been slightly taken aback by the evident enthusiasm of the Chinese for car rallying and reckons this week's event will be a great help in preparing for the marathon, Sponsors for the Peking-Paris

are expected to put up more than £1m and will be declaring themselves during the next few weeks. One is said to be a leading British bank.

Crash course

The Netherlands Tourist Office in Bond Street Issues free maps of Holland which, I feel, enjoin English drivers to have a care. On roads of equal priority: Fast traffic coming from the right has right of way over all traffic from the left; fast traffic coming from the left has right of way over slow traffic coming from the right; slow traffic coming from the right has right of way over slow traffic coming from the left." Just a moment . . . Whoops . . . Sorry.

Observer

The best meetings take place

For over a decade, people with a sense of occasion have chosen to rendezvous at the Inn on the Park. Now, we're also glad to say, people with good business sense are choosing the Inn on the Park for meetings of another kind. Though for much the same reasons. First, and foremost, the Inn on the Park

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is a luxury hotel.

efficient and so unobtrusive that it leaves the businessman totally free to deal with matters at hand. No matter how big the business, or how small the gathering. Then there is the added incentive of not one but

two world-class restaurants. The Four Seasons which boasts cuisine fit for the palates of the greatest captains of industry. And Lanes, where the whitest collars can loosen their ties...not to mention their belts. All this, plus two bars and a lounge where even the fastest-moving executives will want to slow down

and relax, makes the Inn on the Park the perfect setting for business of any kind. If you would like to find out more about business meetings at the Inn on the Park, simply call our Banqueting Manager, Paride Alexander

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SOCIAL AFFAIRS

The dilemmas of job subsidies

By Ian Hargreaves

THE THICKER the unemployment tangle becomes, the more likely does it seem that we are again beading in the direction of employment subsidies.

The Social Democratic Party has already announced its conversion to the theories of Prof Richard Layard, of the London School of Economics, who has been advocating job subsidies with mixed success for many years. Such subsidies involve a weekly payment to an employer on condition that he either recruits or in some cases retains extra labour and meets certain other criteria.

Labour governments instinctively incline to job subsidation and it is hard to believe that Mr Foot would be in Downing Street for long before we had a new scheme.

Most interesting of all, however, as reported in Monday's Financial Times, is the sub-sidy to encourage employers to take on victims of long-term unemployment which has now emerged as a favoured policy option within the Manpower Services Commission.

It is too soon to tell whether this MSC document is a straw in the wind for the Govern-ment. Administrations like Mrs Thatcher's are supposed to be against intervening in the labour market, which does not of course mean that they do not do it. Mrs Thatcher did, bowever, scrap two subsidy schemes of her predecessors, the Temporary Employment Subsidy, which is still being phased out, and the Small Firms Employment Subsidy, a sort of Bonsal version of Prof Layard's leafler original. But Mrs Thatcher has also already created one

This is the Young Workers' Scheme (YWS), sometimes cnown as the Walters scheme because Prof Alan Walters, the Prime Minister's economic adviser, invented it. It is a truly Thatcherite version of the job subsidy in that employers of Employment, based on a only qualify by agreeing to help large but early batch of applicament that the reduce the tions, did come up with a figure: nation's wages. To be precise, deadweight and displacement an employer gets his subsidy combined amounted to 93 per only so long as be is paying the cent, leaving just 7 per cent net under 18-year-olds in question job creation. below £45 a week. In other words it is costing

Such pay ceilings are in part a response to the classic objection against labour subsidies, it creates. There is no official namely that they stimulate wage figure for this notional cost per a response to the classic objecnamely that they stimulate wage



ALAN WALTERS Thatcherite scheme

Britain are now so high as a rough calculations are possible proportion of adult rates that To pay an average subsidy of the employment chances of £10.75 a week or £559 a year young people are jeopardised. 's figures on this can be read either way: relative earnings of the under 18s have not changed since 1975, but in the decade before that rose from 36 per cent to 44 per cent of average adult earnings.

The crucial question with labour subsidies is the extent to which they suffer from "deadweight" and "displacement." Deadweight is the number of subsidies wasted by heing paid to support individuals who would have held the same job anyway; displacement is the measure of how many people were pushed out of jobs as a result of jobs being gained by those subsidised.

In the case of YWS the Government's official position is that it does not know the deadweight and displacement effect.

However, a preliminary study carried out for the Department of Employment, based on a

the Government 13 times the job - public spending projec-But the main theory behind tions merely talk of a £100m YWS is that youth wages in gross cost in a full year—but

Schemes in Operation Temporary Short Time Working Compensation Scheme (temporary Young Workers' Scheme

Pays half workers' wages where employer imposes short—time rather than redundancy. Created January 1982. Pays employer £15 a week for employing under-18 at under £40 a week and £7.50 where young person earns under £45 a week.

Callaghan Government extension

of earlier textile industry scheme.

Possible Schemes Layard/SDP scheme

MSC draft proposa

Employer would get £70 per week subsidy for one year to hire an additional adult from the longterm unemployment register. Employer would receive £45 a week for each additional adult recruit where recruit out of work for over six months; £60 if out of work for over one year. Subsidy would last 12 months, but be halved for the final nine months.

would cost £55.9m gross for 100,000 individuals. If only 7,000 of these jobs have been genuinely created by the scheme, then savings in benefit and gains from National Insur-ance and tax would probably amount to around £10m a year producing a nel annual cost for 100,000 placements of about £450 a place or, to state it at its most absurd, over £6,000 per

job created. Deadweight effect is indeed the Achilles heel of subsidies. Two previous youth employment subsidies, tried in the 1970s, achieved a net creation effect of only 12 per cent and the figures in the MSC's new study of long term unemployment pre-sent a graphic picture of how deadweight can destroy the economics of the scheme.

The MSC proposal envisages a split-level tapered subsidy. Gross cost per subsidy on this basis would be £3,200 per participant over 18 months, which if there were no deadweight or displacement would generate a profit of £3,800 for the Government. The scheme remains costfree to Government until deadweight passes the 50 per cent mark; at 60 per cent the cost Is £608 net per worker but at 70 per cent it leaps to £2,378, or £1,584 on an annualised basis.

Prof Layard's basic idea structural problem, would be similarly sensitive to American experie deadweight. He would pay an

employer £70 a week for a year In return for him recruiting someone who has been out of work for at least aix months. None of this is to say that labour subsidies ore always and inevitably a bad thing, only that British experience so far has not been particularly positive with regard to job creating as opposed to job preserving subsidies, such as the Temporary Employment Subsidy. The question is how can deadweight be

reduced so that such schemes are reasonably cost effective? Here we enter the realms of hypothesis, Another Department of Employment survey, this time of employers opinions of the Layard plan, found an expectation of extremely high deadweight (about 90 per cent) but also found that this problem occurred in part because in present economic circumstances employers have no plans anyway to recruit labour.

If, however, economic assumptioos improve heyond the eod of the scheme's life deadwelght and displacement are deemed likely to fall quite sharplyhence the case for making it a two-year rather than a one-year scheme. This certainly accords with common seose a subsidy could be expected to add momentum to employment at the early stages of an economic upswing, but will be un-likely to tackle effectively a

American experience is again Instructive. Various labour sub-

campaign against urban unemployment in the early 1970s but eventually were obsorbed into direct job creation by the Government in the 1973 Comprebensive Employment and Training Act. President Reagan, however, bas swept away these CETA jobs in order to save money and because they were considered to cause distortions in the labour market.

subsidy with an upswing, which is a theoretical possibility for Mrs Thatcher, would be lo risk wage inflation consequences. It may well be that Prof Walters will want to modify the MSC proposal to include in wage slop-a weekly pay ceiling above which the subsidy would not be payable. The danger bere would be twofold: a wage stop would outrage the trade unions, on whose support the MSC depends, and the sebeme might well become so compli-cated that it was unattractive.

It would depend upon the pay bands selected whether the scheme would have any wide. spread restraining effect on pay. It is too early to tell whether the YWS has had any real effect on youth wages in general, al though two wages council settle-ments—in hotel and catering and retailing-do appear to have been influenced to a de-gree. The YWS bandings, however, are too low to affect most the reasuning which sets out to destroy all the standard ideas apprentice rates and are too low even to be applicable among some of the larger retailers

EEC's farm sectors, France's is without a doubt the one most The trick then is to get the timing right and to nieke sure that the scheme's peripheral objectives-to hold down wages enjoying a very suitable climate, over a large part of in Mrs Thatcher's case or to share the unemployment burden more fairly in Prof Layard's-do not spull its chances of gaining acceptance.

Even more important, if the Individuals subsidised are not simply to be churned from one government scheme to another an experience oow dispiritingly common for many young people—there has to be the prospect of real employment expansion at the end of the life of the scheme. Mrs Thatcher's central dilem-

ma as she watches the unemployment figures climb again is that any labour subsidy or indeed any other anti-unemployment measure is little more than another bridge into the

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sidy efforts were tried in the

WHAT IS Freoch agriculture

in the eyes of most British people? A collection of small

farms run by backward peasants

at horrific cost to the European

Community budget. Here is why I am absolutely not in

First of all, many people.

While the Netherlands has

sone from a modern farm

exports exceed its imports.

I come now to what I con-

sider the must important point.

on the subject. Among all the

favoured by natural conditions

great expanses of ferlile plains,

the territory. In Europe, only

the British farmer has on

average more acres of land at

his disposal, but then it is oot

If one works out what ought

to be a "rational" share-out of

farm activity throughout the

territory of the EEC (for

oe reaches the conclusion that

vasi areas of southern Germany

and southern Italy, which ought

lo go over to much less inten-

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sive farming.

the same land as in France.

ing things. Of course to time a labour eveo in France, are unaware of the veritable technological revolution in French farming since the beginning of the 1950s. The descriptions that can some-times be heard are a preity good picture of reality—as it was, that is, half a century ago. sector 10 an even more modern farm sector, France has gone from a traditional form sector (in most regions at least) to a modern one—a complete change

example, in order to achieve the greatest average valueadded figure per farmworker), France should raise its output considerably, at the expense of

EEC Agriculture

The French farmer is not to blame

By Joseph Klatzmann

AGRICULTURAL OUTPUT As a proportion of Gross National Product Germany Italy agreement with that way of see-3.1 7.1 7.5

Grass value added at factor cost and current prices Lates! figures no = not available.

in unfavourable weather condi- In order to keep up the growing tions, and at the same time to of beet sugar in certain region cultivate fertile land, in regioos where the climate is much better, much less intensively. No farmer will behave in this way on his own tand, even if he knows nothing about the concept of "marginal produc-

of character, Brittany was once one of the most backward regions. It is now one of the Why have I mentioned only West Germany and Italy? Because in the Benelux counmost advanced. Before World War II, an active farm popu-tation of 7m could not even feed 40m Frenchmen. Now tries-and above all the Netherlands-intensive use of grass-land is justified both by the climate and by the high techfewer than 2m are supplying - better than before - 54m nical level of the farmers, while the UK has adapted well Frenchmen, and France's food to its natural conditions by developing less intensive farm-

ing.
If you agree so far, then you have to conclude that there is no such thing as a French farm surplus, since France produces

France should raise its output at the expense of Germany and Italy 9

less than it should. What we export at low prices on the world market is what we cannot sell in Germany and Italy because these countries have too large a farm output, considering the unfavourable natural conditions affecting parl of their farm sector. This conclusion should of course leave room for nuances, according to products or regions, but on a general level it cannot be faulted. I shall just cite one specific

example to back up my overall It is economically absurd to reasoning (based oo sums which work mediocre land intensively, cannot be set out in full here).

Germany and Italy, a price so favourable to the farmers of the Paris basin, that quota limits had to be imposed on the area given over to sugar been in France.

But for French agriculture a whole to make full use of its potential, without overburden-ing the EEC budget, it must be able to produce at lower cos French farmers have to be able to earo a better living, selling at lower prices. Despite the fanthousands of French farmers still bave a long way to go before matching their Dutch conoterparts. Schooling, extension courses and continuous training are key problems, of which the French Ministry of Agriculture nowadays seems

ully aware. One last point; it is out of the question, simply on economic grounds, brutally to con-demn the farmers of part of Germany, part of Italy and cerlain regions of other countries —Including by the way France, where not all the laod is good for farming. The social problems brought about by any economic change have to be takeo into account.

Realistically, one can only hope for a slightly faster decrease in Germany's and laly's farming population, accompanied by a lower growth in output, and a rather slower decrease in the farming population in Frace, with a view to raising production more. We can never attain the economic ally ideal situation, but in this way we can move progressively towards It.

Or Klatzmann is prolessor of rural economy at the institut National Agranomique, Paris-Grignon.

Letters to the Editor

Proposals on employee consultation and the Treaty

From the Hend of UK Offices. Commission of the Europeon Communities.

Sir.—The Institute of Direct working conditions of their tors is reported (July 30) as peoples." claiming that the commission's The community has in fact proposed fifth company directive and our proopsals on employee consultation (the "Vredeling" directive) exceed the powers of the community as defined by the EEC Treaty, arguing that the community's authority is limited to economic and financial matters and that social affairs

are excluded.

From the Director Gesammextil

Anthony Moreton for his very interesting and revealing article

(July 14) "Italian fibres under microscope."

Mr Moreton brings up a point that has been causing Gesam-textil, the federation of the

West-German textile industry, the greatest concern for the past

few years, namely the proliferation of sectoral aids for the

ments on the distortions of com-

the table could be somewhat

misleading in that it does not

differentiate clearly enough be-

tween state aids given to the economy as a whole and specific

sectoral aids for the textile sec-

for.
In this connection it must be

stressed that distortions in com-

petition generally do not arise

from the general but rather

from the sectoral aids. Thus, the

table could lead to the impres-

sion that the Federal Republic

countries of the EEC.

Sir .- My compliments to Mr

EEC aids to

textiles

The community has in fact established a substantial body of social legislation, particularly in the field of labour law, some of it of long standing. Io the modern world, of course, the economic, financial and social aspects of Industry and its structure are indivisible.

Equally, employee consulta-That this is a fundamental tion must increasingly be seen misconception appears in the as a right and not a favour treaty's opening words, which arbitrarily granted by some declare that the member states managements. Laws going furare "resolved to ensure the ther than the latest version of economic and social progress of the fifth directive are already their countries" and that they operating successfully in some

affirm "as the essential objective of the member states with an of their efforts the constant excellent industrial record. Yet improvement of the living and the institute is reported as descrihing our aim as "the replacement of capitalism by socialism under the guise of industrial democracy.'

Our real hope is to put an end to the adversarial thinking and jungle law which bedevil key areas of Europe's industrial relations and therefore its survival. It seems to us that public statements such as the one I have just quoted, by contrast, have the effect of increasing the very dangers they denounce.

George Scott, Commission of the European Communities. 20 Kensington Polace Gardens,

The European gas pipeline From Mr G. Spiridonov

Sir.—The report (July 30) about the Soviet Union's plans to manufacture gas turbines for the Siberia-West Europe gas

In yet snother attempt to "prove" this and combut the

facts and figures. The annual Soviet statisticat bulletin, " Foreign Trade of the USSR in 1981," which has just been published in Moscow, however, provides all the necessary data for an objective assess ment of Soviet foreign trade and

Last year, it shows, Soviet foreign trade iccreased to 16.6 per cent above the previous year's turnover. Exports amounted to 57.1bn roubles and imports to 52.6bn roubles. In 1981 the Soviet Union As for the future of the IWC. bought machinery, equipment and traosport vehicles to the tune of 15.9bn roubles on the world market, but about (wothirds of this was supplied by Socialist countries. Only about 4.4bn roubles' worth came from industrialised capitalist countries, mainly under compensation agreements. In that year the remaining aboriginal tsub- total imports from these conntries were equivalent to 1.7 per

In 1981 ils exports of machinery and technical equipmeol counts of a wbaling population ran into 7.Sim roubles, with supplies of such goods to capitalist countries rising by about 20 per cent. At the same time whales, passing between two exports of developing countries

The development of exportworld population assessment. In oriented industries and the in-,crease in the competitiveness of humpbacks it is now possible. Soviet goods on the world marto identify individuals by the ket are having an appreciable distribution of white markings effect on the acceleration of technological progress and the country's general accomic



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Winter Gardens Pembroke Boston Imperial	Claremont Cables Warwick Doric	Savoy Norbreck Lansdowne	
Name			_

regional aids which are men-tioned for West Germany also exist in all the other member

reeting

ace

also grants such sectoral aids. As far as the textile sector is concerned, however, this is not The support programmes for research, innovation and industrial development, assistance for energy conservation (a programme which is due to expire soon in West Germany) and

countries of the EEC without But in addition to this, a number of member slates (the to be a healthy stock. Netherlands, Beigium, France

and, as a special case, Italy) fic uncertainty that the IWC give massive sectoral aids to

industries. Gesamttextil has protested vigorously against this state of . affairs for a long time, the more so, as due to the structure of the lextile market in Europe, no problems can be solved by way of sectoral aids but are, rather, only passed on to the other member states. Dr Ernat-Heinrich Stahr, Gesamttextil,

The table of state aids presented at the end of the article Protecting the prompts me to make some comwhale petition arising from certain forms of state aids. As it stands,

textile sector among the member. Schaumainkai 87, Germany.

From the Choirman, World Wild Life Fund International

6, Fronkfurt am Main 70.

Sir.-I would like to comment on two articles you published (Jnly 23 and 28) about the vote at the International Whaling Commission to end commercial

baling from 1985. Your correspondent in Tokyo well analyses the reasons why Japan has been resisting the end of whaling so vehemently. While ethical arguments should have a place in all decision making bodies including the IWC, the scientists on the IWC scientific committee have for the first time this year shown that there is an incontrovertible scientific basis for the cessation of all commercial wbaling. This is largely because the data base on which whale stocks and populations have been calculated have in very many cases been shown to be either wrong or very uncertain. This applies even in the case of the southern

hemisphere minke whales, which were previously thought (Sir) Peter Scott. The New Grounds, It was because of this scienti-Slimbridge, Glos.

voicd for zero catch limits from textile and clothing 1985, and to keep the situation under review after that date, rather than for a total ban on whaliog which one might have expected had the voic heen purely on emotional grounds.

> which Nancy Dunne said was uncertain, there is no doubt that it will have an essential role to play even after the zero catch limits are in force. For example, it will have to continue to monitor the status of all large cateceans, and possibly the smaller ones as well, to control sistence) whaling, to manage the Indian Oceao saoctuary and any other sanctuaries that it may set up, to work out its relations with the new law of the sea and with the Commission for the Conservation of Antarctic Marine Living Resources, and to develop benign research (that is on living whales). Cootrary to the whalers' claims that there would be no more scientific research ooce whaling stops, in fact one of the most accurate is an example of benign research. This was done by recording 2,000 living bowhead Aleutian islands, and it necessi-

tated an adjustment to the the case of right whales and on their bodies which are unique to each animal like fingerprints, and already many hundreds bave heen documented in this way.

pipeline highlights the incorrect-ness of U.S. allegations of Soviet economic dependence on Western technology.

wide unpopularity of its sanc-tions policy the U.S. Administration recently distributed a bulky report put out by the Department of Commerce on the subject based on inveoted

its place in the international division of labour.

ceot of Soviet gross social pro-

The USSR is not only a hig purchaser of machinery and equipment but also a supplier of large quantities of plant and equipment for the power and metal industries, together with transport vehicles, agricultural machinery and machine tools.

rose considerably.

development.

Gleb Spiridonov. (Novosti Press Agency Political commentator). 4. Zuhorsky Boulevard, Moscow, USSR.

a holding company with interests

in the manufacture and market-

ing of electronic components and equipment, declined from £4.27m

to £3,78m for the year to May 29

However, as predicted in the interim report in Fehruary, figures for the second half showed

an improvement over those of the

corresponding period, rising to £2.31m compared with £1.88m.

ings per share dropped from 17p to 10.8p the dividend total is

being stepped up by 0.7p to 7.7p

per 10p share by an increased

A scrip issue on a one-for-one

basis is also proposed.
Sales for the 12 months edged

£98,000 to £11,000 and there was

a loss of £109,000 [nil) on the disposal of subsidlaries.

Improvement

by Hales

Although full year slated earn-

HRDSON

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

Application has been made for the grant of permission to deal in the ordinary share capital of Hadson Petroleum International p.l.c. in the Unlisted Securities Market.

It is emphasised that no application has been made for these securities to be admitted to listing

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optimistic that the year as a

improvement.

whole will again show a modest

Our strong cash position in the U.K. will be an invaluable

revives, although our priorities :::

asset when industrial activity

will remain to improve

55 King Street,

London EC4M 9EL. Birmingham B3 3NS.

Wagon Industrial Holdings p.l.c.

Salient points from the Review by Mr. Peter Kinnear, Chairman:

Our pre-tax profit . . . represents a considerable improvement during the second half of the financial year.

Due to seasonal trends the level of improved performance

in the second half of 1981/82 will not be maintained in the first half of the current year, our trading margins as well as but we are cautiously to increase volume.

Key Figures for the year 1982 1981 £000's £0000's 52,872 Profit before tax 3,164 637 Profit attributable to Shareholders 2,527 Retained Profit 1,516 Earnings per share before tax 15.91p 15.84p Earnings per share after tax. 9.25p 12.64p

Ratio of Net Profit to Shareholders' Funds

Copies of the Report and Accounts may be obtained from The Secretary, Wagon industrial Holdings p.l.c., Haldane House, Halesfield, Telford, Shropshire, TF7 4LN.

13.0%

13.1%

DIVIDENDS ANNOUNCED

Better second half for Unitech

	Current payment	Date of s payment	Corre- ponding div.	Total for year	Total last year
Aqnis Securities in Drayton Premier in Gordon and Golch	at 3 4.5 3.5 0.75 10 0.5[Sept 7 Oct 1 Sept 10 Oct 8 Oct 1 Oct 1 Oct 1	0.3 3 4.5 3 0.75 10 0.5 4.48	7.5 5 0.75 10 7.7 6	1.2 10.71 7.5§ 4 0.75 16 1.75 7

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip iasue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. \$ Special 2.5p also paid. † For 9 months to June 30 1982. || For 6 months to March 31 1981.

ahead to £89.42m, against £86.96m, but at the trading level profits fell by £499,000 to £5.3m,

From this, interest took much the same at £1.52m, compared with £1.54m.

Tax paid rose by £768,000 to through at £479,000, compared and sub-units £13.21m (£13.53m) with £1.89m, to which a fureign and £1.04m (£1.2m); industrial £1.73m, leaving the net balance £1.25m hehind at £2.06m. Minority debits declined from

Attributable profits dropped

Exports from the UK were higher at £7.65m against £7.37m.

The directors say the group is

short-term invest-

from £3.21m to £1.94m from £50.48m [£51.31m) and £717.000 which dividends will absorb (£1.1m1; component manufacturing £1.46m, against £1.32m.

Undistributed profits came | £1.45m); electronic equipment Iransaction gain of controls £8,53m (£4.37m) and (£528,000 loss) was £496,900 (£398,000).

A divisional breakdown of sales and pre-tax profits shows:

After the results Unitech's puts Unitech on a prospective gained 12p to close at p/e of 19.4, but still not cheap.

Earnings per 25p share after

tax as charged were 9.25p

(12.64p) and after tax of 53 per

ceni, 7.61p (7.58p). Ordinary shareholders' funds per share

The sharp second half upturn

at Wagon was due in part to surgery at the first half trouble

spot, the French offshoot Vinco. A cut of 10 per cent in this company's 700 strong workforce cost £420,000 in redundancy pay-

ments hut even after these and

even for the year. The other problem area, Oleo, replaced

much of its traditional British

Rall business with exports and industrial sales. Over the year

were 122p (118.9p).

(£237,000) but include net financing credits of £66,000 against fosses—totalling two small units. Capital spending was down by a third at £2m and looks likely to remain at this level in the current year.

295p. The pre-tax cutturn was if anything below expectations, and the 10 per cent dividend increase was in line with stated policy, so it must have been the one-for-one acrip issue that did the trick. Although second half profits are up 23 per cent on the comparative period, one might cavil at such a highly rated company—the historic p/e is 29 -turning in two years of declining profits. In 1980-81, its first full year in Unitech, the German acquisition Enatechnik made about £400,000, but last year it probably lost a similar amount. This year it should at least break-even, but that achievement would hardly in itself justify the acquisition. United bas expanded its U.S. manufacturing base with the acquisition of Erie; another move in this direction is likely. hut meanwhile gearing has almost doubled to 50 per cent. United is capable of making about £5.6m this year as demand picks up in the UK and Europe and volume increases outweigh

this level in the current year

a net cash position but the

gains from the aizeable kitty in

the UK are offset by the effects of French accounting treatment of asle invoice discounts.

of asle invoice discounts. Present trading is patchy and

though the main office equip-ment business in the UK is

budget, the materials handling

division is suffering from heavy price cutting. While reasonably optimistic for the half year the

group is not set for a repeat of the previous six months' per-

formance. However with the recovery in France something in

the £1.5m region should be easily attainable. Yesterday's

pushed shares up 12p to a 1982 bigb of 84p for a fully taxed historic p/e of 10.

better-than-expected

Gordon & Gotch advances to £1.1m

SECOND-HALF taxabfa of Gordon and Gotch Holdings, the export publishing, financial and computer services, rose from £509,000 last time to £551,000, givlog full year figures to end March 1982 of £1.14m, compared with £1.01m. Turnover for the 12 months, bowever, slipped from £35.75m to £35.14m, excluding associates.

Tax for the year was lower at £604,000, against £827,000, and after minorities, the net surplus ahowed an increase from £180,000 to £536,000. But including last time an extraordinary credit of £826,000, the available result was well down at £536,000, compared with £1.01m.

Stated earnings per 25p share advanced from 3.95p to 11.73p, while a same-again final dividend of 4.6p makes a total payment of or top makes a total payment of 7.5p per share. The previous year's dividend was 7.5p and there was also a special 2.5p paid.

At the interim stage, the company reported taxable profits of £591,000 (£504,000). Seasonal factors do not play any significant role in the company's printahility but the hoard believed the second half would not be

ussumilar from nie	mrst.	
	1381-82	1980-81
	5000	£000
umovar*	35,143	35,759
rofit before tax	7,142	7,013
ax	604	827
o minorities	2	6
et profit	536	180
xtraord, oredit		826
vallabis	5 35	1,006
Prvidand	343	457
letained	193	549
* Excluding associates		

Silverthorne hit by reduced sales

In the nine months to June 30, 1982, pre-tax profits at Silver-thorne Group were £168,000 against £237,000 for the previous six months to March 31, 1981. Turnover of this holding com-pany with interests in metal finishing and the manufacture of consumer goods was £2.84m against £2.17m.

The directors say all sectors

of the group have experienced reduced sales levels since late autumn, and there is little pros-pect of more buoyant markets over the next few months.

The pre-tax figure was struck

The pre-tax figure was struck after interest charges of £1,000 (£12,000). Tax was £52,000 against £44,000 for the previous six months. The interim dividend is unchanged at 0.5p. Dividends absorb £18,000 (same), leaving retained profits of £98,000 (£175,000).

Silverthorne is a subsidiary of Eastern Produce (Holdings) a net dividend for the year of 10p, against a total payout of 16p in 1981.

Tax credits were increased from £6,506 to £22,230, and there was an extraordinary period covering 15 months to 10p. 1982.

December 31, 1982.
Earnings per 10p sbare were 3.31p at Juoe 30 compared with 5.50 at March 31, 1981,

Wagon edges ahead to £3.2m WITH second half pre-lax profits (£237,000) but include net financ- profitably increasing from £1.63m to £2.32m,

Properties Wagon Industrial Holdings re-Taxable profits of Hales Properties Group have risen from £419,400 to £480,067 for the ports figures up from £3.16m to £3.2m for the full year to £637,000. March 31, 1982. The final diviyear to March 31, 1982, on slightly higher turnover of dend is raised from 3p to 4p for a total up from 5p to 6p net. At halfway, when profits were down £1,26m. as agains! £1.25m. At ahead from £234,762 to £275.387. from £1.53m to £881,000, the The dividend for the year is directors forecast a second half being increased from 4p to 5p net with a final 0.5p higher at 3.5p. Stated earnings per 25p 3.5p. Stated earnings per 25p share improved from 15.47p to in light engineering, storage systems, office furniture, hydrau-lics and caravans, was £54.77m, a record, compared with £52.87m.

15.65p. A one-for two scrip Issue is also proposed. A surplus of £1.33m has arisen on the revaluation of the group's freehold investment roperties. Tax was up from £126,191 to

£196,461 and there was an extra-ordinary credit of £25,726, compared with a debit of £26,136 The group is principally en-

gaged in development, invest-ment and dealing in property within the Midlands area.

Rights issue

by NMC

Pre-tax profits were after re-industrial sales. Over the year dundancy costs of £455,000 the rest of the group traded USM quote for Hadson

in a strong financial position and heavy midyear losses it broke continues to receive substantial even for the year. The other

The year's turnover of this • comment

Investments NMC Investments, the fibreand gas company, is floating off its international boldings, which include a small stake in the board container manufacturer and investment company is seeking to raise £0.5m by means of a one-for-one rights issue of promisiog Humbly Grove Fleld. Yesterday the company shares stood unchanged at 12p following ordinary shares at par at 121p.

ments in the UK.

and a recovery to profit for the year to March 31, 1882, The group, which is 46.46 per cent owned by East Rand Consolidated, shows a £23,815 pre-tax profit for the year, against a loss of £10,020, after a small second-half loss. At halftime there was

0.75p on slated earnings per share of 1.39p (1.24p) after a tax credit of £37,469 (£64,767).

The loss in the packaging division was cut to £40,000 (£65,000)

CRONITE

The recent £1.5m rights issue by Cronite Group, a leading UK nickel alloy products manufac-turer, has attracted acceptances n respect of only 57.25 per cent of the new ordinary shares offered Only 22.35 per cent of the loan atock offered was taken **Petroleum International** which will be used to develop the Humbly Grove sile and to

identify and evaluate new exploration activities. The new company, Hadson No divide Petroleum International, will the near furnithment of the Market by way of a placing of Until 1983.

15m new ordinary shares at 80p, representing 24.2 per cent of the expected to represent the offer company. No divideods are forecast for the near future and the directors do not expect a positive cash flow Dealings to the shares are expected to begin on August 13, Brokers to the offer are W. company. The offer capitalises the company at £49.6m. Brokers 10 the offer are W. Greenwell and brokers to Hadson

The pareot company, which will retain a 76 per ccot stake la £10,020, after a small second la £10,020, after a small second la £10,020, after a small second la £10,020, after a £21,996).

The net dividend is held at bave been iradiog recently at about \$10. This capitalises the parent at about \$100m (£57m). is advising the comoanles. In addition to its 7.5 per cent stake in the Humbly Grove site, Hadson Petroleum International owns UK offsbore acreage, as well as offshore acreage in Spain and onshore sites in Egypt.

River Plate and General warrants issue

The River Plate and General Investment Trust is to make an issue of warrants to its share-holders on a hasis of one warrant for every ten deferred shares held. Each warrant will carry the right to subscribe for one new deferred share at a price equivalent to the net asset value per deferred share on July 30 1982. This right may be exercised on March 31 in any year from 1983 to 1989 inclusive.

An extraordinary meeting will be held on August 26 to authorise the increase in share capital necessitated by the issue of warrants, and to permit the subsequent issue of new deferred sbares in respect of warrants.

YEARLINGS

The interest rate for this week's issue of local authority bonds is 111 per cent, down fiveeighths of a percentage point from last week and compares with 141 per cent a year ago. The bonds are issued at par and are redeemable on August 10

A full list of issues will be published in tomorrow's edition.

THE TRING HALL USM INDEX 127.7 (+0.4) Close of business 3/8/82 Tel: 01-638 1591 BASE DATE 10/11/80 100

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The Net Asset Value of £1 of Capital Loan Stock Is 306.65p calculated on Formula 1. Securities valued at middle market prices.

> LADBROKE INDEX 563-568 (+8)

Year-end loss for Owen & Robinson

Losses for the year to May 31. 1982, at Owen & Robinson were stated at £75,035, compared with a pre-tax profit of £10.274 pre-viously. Turnover for the year was down from £1.05m to £1m. The directors are recommending

there was an extraordinary credit of £2.529. Losses per £1 share of this jeweller and sliversmith are stated at 77.54p, against earnings of 21.87p Ioternational are Greis, Middle-ton. Lazards, the merchant bank,



Resource Fund International, Ltd.

An open-ended fund which trades in futures and forward contracts in commodities, currencies and financial instruments

In reviewing the year to 31 March 1982, Mr.William G. Dubinsky, President, reports:

We are pleased to report that in our first full fiscal year of operations ended March 31, 1982, net asset value per share rose to \$1,620.92,up50.6% from the prior year-end. The year was particularly gratifying in light

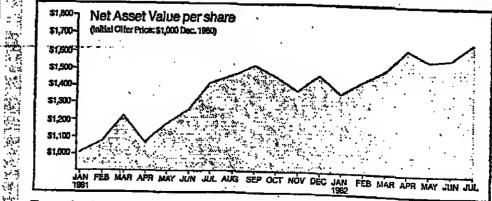
of the significant declines experienced in most stock, fixed income, real estate and collectibles markets. We believe that 1981 provided solid evidence that the philosophy and willingness of our Trading Manager, Millburn Partners, to commit itself on the short or long side of markets, as conditions dictate, can provide our investors with meaningful gains in good or bad economic times.

Needless to say, most significant profits in 1981 came from short positions, specifically: non U.S. currencies, metals, and grains and livestock.

The world recession has been more enduring than many experts had forecast, and the 1982 outlook remains clouded by the uncertainties of the recent past: U.S. interest rate levels; political unrest in Eastern Europe, the Middle East, and Central and South America; and potential shortfalls in agricultural production in the Warsaw Pact countries.

We remain convinced that the commodity and currency markets traded by The Fund will continue to present profit opportunities in the coming year, and we look forward to participating in them.

William G. Dubinsky President



The month-end net asset value of Resource Fund Internalional, Ltd. la listed daily in the Financial Times "Offahore and Overseas" listings under the

Copies of the Annual Report are obtainable from: Opinion of the Control of the Contro

This advertisement complies with the requirements of the Council of The Stock Exchange.

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The issue price of the Notes is 100 per cent. of their principal amount. The Notes have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the Notes.

Interest is payable annually in arrears on 15th August, the first payment being made on 15th August, 1983. Full particulars of the Notes are available in the Extel Statistical Service and may be obtained during usual business

hours up to and including 18th August, 1982 from the brokers to the issue:

Cazegove & Co., 12 Tokenhouse Yard,

London EC2R 7AN

don lotch

Dubilier to acquire 80% of EDAC

Dubilier, manufacturer of electronic components, is to acquire 80 per cent of EDAC Inc. a Toronto-based electronic connector manufacturer, for C\$3.2m

(£1.46m).
The Foreign Investment The Foreign Investment Review Agency of Canada bas given its approval to the acquisition and, subject to the receipt by Dubilier of a satisfactory report on EDAC from Peat, Marwick Mitchell and Co. completion is expected to take place in October 1982.

The purchase price is to be satisfied in cash from existing bank facilities. EDAC's turnover and profit before tax for the year ended June 30 1981 were CS8.2m has first Trading into the £32m offer by Sunlight Services Group for Johnson Group Cleaners by the end of this week and, in the meantaine, both companies bare taken the opportunity to attack the other over redundancy policies, past and projected. Sunlight Services Group for Johnson Group Cleaners by the end of this week and, in the other over redundancy policies, past and projected. Sunlight Services Group for Johnson Group Cleaners by the end of this week and, in the other over redundancy policies, past and projected. Sunlight yesterday of this week and, in the other over redundancy policies, past and projected. Sunlight yesterday of this week and, in the other over redundancy policies, past and projected. Sunlight yesterday at the other over redundancy policies, past and projected. Sunlight services Group for Johnson Group Cleaners by Sunlight Services Group for J

ended June 30 1981 were CSS.2m and CSO.8m respectively, and its net assets at that date amounted

Sunlight and Johnson battle over job cuts

Cockfield, is expected to have received and pronuonced on the recommendations of the Office of Fair Trading into the £32m offer

more than 450 job losses. The defence was quick to pick up on that point and challenged Sunlight to say how many works

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interime or finals and the subdivisions shown below are based mainly on last year's timerable. TODAY

BOARD MEETINGS

Interime—
Beitish Aluminium Aug
British American and Gen. Tst.
Illeamand Electrical Appiaences Aug
First Scottish American Truet
Foreign and Colonial Inv. Trust
Metal Bulletin Aug
New Carlen Dij Truat Aug

the merger and both sides bave highlighted the merits of employee loyalty.

Cooper Industries

forced to close.

It said that the enlarged

group would control 40 works in the UK which, Johnson reckoned, would be far more than that required by groups with "even the most monopolistic tendencies in our trade."

The battle, which is extended consider the until August 19, has been spread to the MPs in constitution or bought encies in areas most affected by extraordinate consider the until August 19, has been to or bought encies in areas most affected by par value.

Reed buys St. Regis

Reed International bas acquired from St Regis International the entire issued share capital of St Regis Newspapers for a total

As a result of the operating profit of St Regis Newspapers from January 1 1982 to date being lower than forecast when cash consideration of £6m. the terms of the a streed in principal areas of circulation are the terms of the a agreed in principal areas of circulation are february 1 1982. the terms of the acquisition were agreed in principle, the consideration has been reduced by flm from that announced on STOCK EXCHANGE BUSINESS IN JULY

Turnover soars to record £25bn

BY NIGEL SPALL

lower interest rates encouraged further heavy institutional and public buying of gilt-edged securities last month and pushed days in July totalled 22, the same as June.

Total business soared 35.1 per cent from June's £18.50bn to a peak of £25bn and the Financial Times turnover index for all securities accordingly jumped from 567.0 to a record high of

Sunlight now says that it has registered sufficient employee shares, carrying a total of 14 per cent of the votes of the entire equity, to requisition an Boom trading returned to the gilt-edged sector in which business expanded dramatically jumping by a remarkable £5.89bn, or 41 per cent, to a record £20.60bn; this casily surpassed the previous peak of £17.79bn recorded last March in the wake of the Budget. extraordinary meeting to consider the bid. At present, employee shares can only be sold to or bought from the trustee at

Business in short-dated stocks was up hy £3.46bn, or 44.8 per ceni, from £7.73bn to £11.19bn, while trade io the longer-dated and irredeemables expanded by £2.53bm, or 36.S per cent, from £6.87bm to £9.40bm.

The number of bargains done in British Funds rose in July by 16,073 to 91,403 with an increase of 9.730 to 63,046 in longer-dated stocks. Deals io the shorts increased by 6.343 to 28.357. The Financial Times Turnover index

The accelerating trend towards Securities peaked at \$71.8 commonth a net 2.90 points up at sharply to close the month just over interest rates encouraged pared with June's 618.2 and the 72.34.

2.2 higher on balance at 556.5 per perious record of Equity shares, again over Eusiness in ordinary chares.

The dramatic increase in the securities last month and pushed demand for gilts followed the dragged up on cheaper money turnover in the sectors to record levels. The number of trading levels. The number of trading days in July totalled 22, the same Times Government Securities quently took a knock on rumours

shadowed by eveots in the gilt-edged eector, were nevertheless index attailed a two-year high that a major engineering conpute for the better reflecting that a major engineering conputer for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting to turn for the better reflecting to turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control turn for the better reflecting that a major engineering control tur

while the average value per bargain rose by £951 to £10.811. Gold sbares took a distinct

Category	Value of all purchases & sales	% of total	Number of hargains	% of total	Average value per day £m	Average value per bargain £	Average number of bargains per day
British Govt. and British Govt. Guaranteed Short dated (having five years or less to run)	11,1 9 5.1	44.8	28,357	7.3 `	508.9	394,792	1,289
Others	9,402.9	37.6	63,046	16.2	427.4	149,143	2,866
Irish Government: Short dated (having five years or less to run) Others	563.3 292.3	2.2 1.2	2,297 2,594	0.6 0.7	25.6 13.3	245.242 112,685	104 118
UK Local Authority	393.2	7.6	4,544	1.2	17.9	86,543	207
Overseas Government: Provincial and Municipal	130.8	0.5	1,916	0.5	5.9	68,293	87
Fixed interest stock, pref. and prefd. ordinary shares Ordinary shares	171.9 2,854.5	0.7 11.4	20,823 264,029	5.4 68.1	7.8 129.8	8,254 10,811	946 · 12,001 ·
Total	25,004.1	100,0	387,606	T00.0	1,136.6*	64,509*	17,618"

Guinness Mahon 1981/82

ignificant progress

Extracts from the Chairman's Statement in the Annual Report for the financial year to April 30 1982;

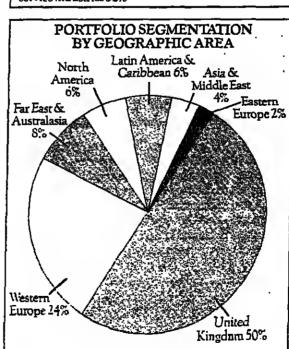
The period under review has been a most successful one for Guinness Mahon with all sectors of our banking business showing significant gains.

Our overseas offices have continued to perform above expectation with a particular contribution to our earnings emanating from Dublin and the Cayman Islands, whilst in London our Banking and Treasury, Corporate Finance and Investment Management areas all made marked progress not only in terms of overall profitability but also in relation to the number of complex transactions completed with particular emphasis on the raising of long term debt and capital for institutions and local authorities. Thus a record year of profitability has allowed us to disclose £2,500,000 - an increase of more than 13% on the immediate prior year.

Our balance sheet has increased to £509 million, up disproportionately to the prior year because of the depreciation of sterling against the dollar in the last few months of the year with the resultant "inflationary" balance sheet consequences.

We have in the past adopted a very conservative approach to lending and to the assessment of our loan portfolio and hence to any provisions against our risk assets. We have continued that policy

PORTFOLIO SEGMENTATION BYINDUSTRY Property related Shipping 7!2% Financial (ex Banks) 189 agriculture and service industries 32%



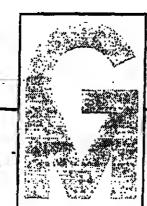
this year as a result of which we feel the Bank is now well protected against the sort of geographic and industrial loans which are currently giving cause for concern to the financial community generally. It is our intention to maintain this policy in the future.

Our consolidated loan portfolio is well balanced with the preponderance of growth during the year being ECGD guaranteed. Excluding transactions with banks and other cash backed loans a geographic and industrial segmentation of our loan portfolio is set out in the

The maturity of the portfolio reflects a similar conservatism with more than 50% of it (excluding our lending to local authorities and ECGD guaranteed loans) having a maturity date within one year thus allowing for considerable lending capacity within our existing capital resources.

It is also gratifying to note in the context of the nature of our business and the structure of our overseas offices that more than 70% of the Bank's deposit base emanates from non-banking sources and in the majority of cases from depositors with a long-standing relationship with the Guinness Mahon banking group from many different parts of the world.

> Graham Hill London July 19 1982



Guinness Mahon

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104	60	Deborah Services	135	_	7.9	5,8	5.7	6.1
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Caisse Nationale des Télécommunications

DM 100,000,000,-91/2% Bonds due 1992

guaranteed by the French State

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All these bonds having been sold, this announ

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Amro International Limited **Bache Heisey Stuart Shields** Banca Con Banca del Gottard Banco di Roma Stank of America Inten Bank für Gemeinwirt Bank Gutzwiller, Kurz, Bunge Bank Mees & Hope NV Bank of Tokyo International Banque Française du Comme

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that Infill drilling has confirmed and upgraded reserves at Winting coalfield in EL 786 of the Arckaringa Basin in South Australia. In December the company reported measured. J. Vontobel & Ca. M. M. Warburn-Britishmann, Wietz & Co. S.G. Warburg & Co. Ltd. plus indicated, coal reserves of Westfalenbank Aktiengesellschaft 830m tonnes together with assumed reserves of 670m tonnes for this area. Total coal WestLB Asia reserves of the Arckarloga areas have been put at 3.1bn tonnes.

> The AS47m (£27m) coal conversion of Rietats Exploration's 50 per cent-owned nickel smelter at the Greenvale project in Queensland has been completed and is hoped to save A\$18m a year in fuel costs.

ANOTHER transatiantic natural conditions to contioue in 1983 resource company to run into and is cutting costs wherever resource company to run into losses is Brinen, once the maio possible. The non-essectial exploration for oil and gas is being eliminated and part of the com-Canadian exploration arm of Rio pany's interest in the U.S. Hrubetz Oil exploration joint 24 per ceot. Brioco reports a loss of CS7m (£3.2m) for the first half of the year against a oet

profit of CS6.1m in the same period of 1981. Major factors in the latest results have been the fall in revenue from asbestos sales— the company controls Cassiar Procured which where the Resources which mines the material in British Columbia — and the fall in other mineral Casslar mine.

MINING NEWS

Brinco goes

into the red

BY KENNETH MARSTON, MINING EDITOR

In addition, costs were high at the San Antonio gold mine in Manitoba during its early stages of production and there was a in interest charges.

AMERICA'S Freeport-McMoRan.

created out of last year's merger between Freeport Minerals and

McMoRan Oil and Gas—is manag-ing to stay in profit with second quarter earnings of \$22.6m (£12.9m1. They make a profit for the first half of this year of \$49.1m, albeit well down on the

\$89m earned io the same period

Still, as Mr Paul W. Douglas

the president and chief executive

officer poiots out, the latest earn-

lngs represent "a quite creditable achievement in relative

mineral sales together with reduced prices for the company

copper and precious metals

obtained during the latest

Australian exploration hope ul International Mining Cor

poration says that it is in advanced talks with an oil

advanced talks with an on major interested in the Weslern Murray Basin petroleum prospect, 100 miles from Adelalde. IMC adds that farm-in negotiations are expected to be

tions are expected to be concluded in the near future.

Argosy Gold Mines reports

that it has acquired approvals to prospect for gold on a 117 square

kilometre area at the Croydon goldfield in Western Australia and is holding discussions with prospective partners.

Merkatbarra Minerals says

ROUND-UP

Lower agricultural

Tinto-Zine which retains a bene-ficial interest of approximately

venture is being sold to a sub sidiary of RTZ Oil and Gas. However, the company is press-

ing on with what it describes as prime project opportunities. For example, it is continuing to evaluate the McDame asbestos deposit which adjoins the

On the more cheerful aide

good progress was made at the 70 per cont-owned Jerritt Canyon

low-cost major producer. Gold production for Freeport's account

exceeded 39.000 oz in the quarter.

Mr Douglas said that there had been recent indications of some

improvement in operating rates in the U.S. phosphate chemicals

industry and noted the modest

upturn in copper and gold. There

is thus the possibility of better results for Freeport in the

The development of the Quinsam coal property on Van-couver Island will go ahead next year on the completion of acceptable feasibility and marketing studies together with the receipt of government approval on tach Brinco expects the difficult nical and environmental grounds.

AMERICAN BRANDS, the U.S. tobacco group, said yesterday that it was "studying" details of the Justice Department's challenge on anti-trust grounds of its purchase last year of the UKased Ofrex office equipment However, American Brands,

which has been attempting to diversify away from tobacco and into consumer products, said it was too early to indicate what response it would give to the Department's request that the company divest itself of enough assets to restore competition in the U.S. market for staplers

In a surprise announcement on Monday the Department said American Brands' acquisition of the Ofrex group last year through its UK tobacco sub-

sidiary, Gallaher, had substantially reduced competition in the U.S. home and oce market for

American Brands is

studying challenge

to Ofrex takeover

The Department charged that American Brands was the dominant producer and seller of staplers in the U.S. prior to the acquisition through its two subsidiaries, Swiogline and Ace, which it claimed controlled 67 per cent of the market in 1980 with sales of \$31.1m.

Ofrex, through its Long Island-based subsidiary Rexal, was the fourth largest producer of staplers in the same year with sales of \$2.8m and six per

cent of the market The Justice Department said the acquisition had substantially increased concentration in an already concentrated market.

Whitbread takeover Freeport still in profit

WHITEREAD, group, bas bought Goodhews Company in a deal involving ahout £1m. The take-over follows more than a year of talks tween Whithread and directors gold operation in Nevada which is now established as an efficient of the private company.

Goodhews owns and operates 25 public houses, mainly in South London and Surrey, and three discos. It also has major interests in two hotels.

Nabisco Brands Inc said in New York that an undisclosed minority Interest in its beer importing company, All Brand In:porters Inc., has been included in its previously announced sale of Julius Wile and Sons Inc to Whitbread.

Nabisco also said it has completed nagotiations on tha tentative agreement to sell Wile. A Nabisco spokesman said the in-clusion of the All Brands' in-terest will not result in a material increase in the previously announced value of the transaction of about \$155m.

Nabisco said the sale of Julius Wile, plus the disposition of Julius Wile assets not included Julius in the sale, will result in 2 nonmaterial increase in the company's 1982 earnings. It noted that the proposed transaction is subject to a definitive agreement, board approval and regulatory

current quarter.

SIMPSON

FOOTWEAR RETAILERS AND MOTOR OFALERS

"The properties belonging to the Company and its subsidiaries have been revalued as at 31st March 1982. This shows a surplus of £31,236,000 above their book value."

Mr. Harry E. G. Gee (Chairman)

The following are other salient points from the Report and Accounts and Statement of the Chairman for the year to 31st March, 1982.

		_
£000's	1981/82	1980/81
TURNOVER		
Footwear retailing	27,053	23,245
Motor trading	13,930	13,174
	40,983	36,419
PROFIT BEFORE TAX		
Footwear retailing	1,942	2.004
Motor trading	254	123
•	2,196	2,127
PROFIT AFTER TAX	1,320	1,267
PROFIT ON SALE OF		-
PROPERTIES	9 32	, 276
Ordinary and 'A'		
Ordinary Cividends	3.85p	3.50p
Earnings per share –		
belora lax	7.63a	7.39p

- * Whilst the footwear turnover for the year again reached a record level with an increase of 16%, margins continued to be eroded through increased costs and the intense competition for market share. During the year eighteen new branches were opened, one branch was relocated to a better position, one was rebuilt and three were extended in size. Eight branches with poor trading prospects were closed. Plans are already in hand to open two more branches this year.
- * I would hope that the first half will show a profit increase but it will be difficult to improve upon our last year's exceptionally good second half.
- * The turnover for the first ten weeks of the current year has shown an increase of 20% for footwear trading and an increase of 25% for motor trading.

REACTS

RECORD YEAR DESPITE WORLD RECESSION

Sales \$3,688,500,000

Pre-tax profit \$298,947,000

Net income up 20% to \$192.8 million

Earnings per share up 18%

The statement to the shareholders by Chairman Henry J. Heinz and Chief Executive Officer Anthony J. F. O'Reilly shows that year ending 28 April 1982 was, for the H. J. Heinz Company, one of exceptional performance, with solid success on virtually every front for the worldwide organisation.

Sales and earnings for the year reached an all time high which would have been noteworthy under any circumstances. It was especially so during what was a most discouraging time for the world economy in general, as well as for the food industry. Wherever we operated, recession, unemployment and reduced consumer spending were the common theme. More than one food processor faced disaster under these conditions. Some succumbed.

Last year's results continue a 10 year uninterrupted record of success, which testifies that we have been moving ahead from a solid base, building strength upon strength. During that period, the compound annual growth rate was 13.7% for sales, 15.7% for net income and 15.3% for earnings per share. All of these measurements rose more rapidly during the latter half of the decade.

Dividends per share grew by 15.4% over the period. Return on invested capital, a key criterion of corporate performance, climbed from 15.9% in 1973 to 25.0% in 1982. This was the best showing in the U.S. food. industry. A comparison of Heinz with 12 other major U.S. food processors during the 10 year period gives

Heinz the growth lead also in dividends per share. For the same period annual growth in net sales was 13.7%, compared with 12.8% for the industry group: in return on equity, 5.2% versus 1.7% for the group; in earnings per share, 15.3% versus 11.2% for the group, with Heinz topping the list for the latest five year period.

Heinz shareholders have enjoyed substantial increases in the value of their stock along with steadily rising dividends. At the close of 1982, Heinz shares, adjusted for the stock split, sold at close to the highest price in their history.

Creative marketing has made it possible to introduce and sell products which had never been offered before and to find new customers in places where Heinz presence was formerly minimal or non-existent. This effort has been backed by record expenditure. Promotional outlay in 1982 stood at \$240.4 million, as against only \$30.8 million 10 years earlier.

Growth in recent years has been marked by refusal to dissipate resources in ventures outside the business we know best. The events of 1982 demonstrate that there is still great variety in the potential offered to us within the food industry. In France, for instance, we established a new foothold in a sizeable national market when we acquired Ets. Paul Paulet, a packer of branded canned fish for European consumers. In Italy, we entered

a new line of business with the purchase of Fratelli Sperlari, a major factor in that country's confectionery industry.

What does the future hold for Heinz? We see a twofold effort that involves the strengthening of current lines of business coupled with a search for new areas

Certainly, for the near term, we will work to preserve momentum in the American market, which remains the richest in the world. At the same time, we have geared our plans to global trends already taking shape. Chief among these is a major economic shift in which developing countries will grow more rapidly than the "mature" developed countries. One study says that they will account for 19% of world gross national product by 1985, a proportion more than 50% greater than they hadin 1970.

We have every reason to conclude that underlying forces for recovery are in place in the U.S. and overseas, and that a better economic climate will begin to emerge before the current year is very far along.

With the continuing support of our shareholders and employees, we look forward to further progress in the year and years ahead.

,	OND	Total (TR.	ADED	Calis	1361 Pu	NS ts 345	,
Option	Ex'rcise price	Closina offer	Vol.	Closina. offer	Vol.	Closing	Vol.	Equit
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Cotton lge

output fall forecast

Companies and Markets

WASHINGTON - World Cotton production will fall by 5.5m bales in the 1982-83 season from the record 71.4m bales in the previous year, according to a survey by the International (ICAC).

in its first world production estimate for the new crop season, ICAC said that most of the decline will be ip the U.S. 1t estimated the U.S. cotton crop at 10m bales this year, down sharply from 15.7m last year.

ICAC noted that U.S. cotton plantings have declined by nearly 20 per cent this year, and that upwards of (2m) acres of cotton in the Texas high plains were lost as a result of hail damage during the last half

World cotton plantings will reach 79m acres in 1982-83, down by about 3m acres from 1981-82. Average yields will be slightly less than 400 lbs per are compared with the record of 415 lb in the previous year. Reuler.

Protest at whaling ban

TOKYO - The lown council of Tejji, a whaling village on the Pacific coast of central Japan, is calling for the pre-servation of Japan's wbaling industry and denouncing as "outrageous" the International Whaling Commission's (INC) ban on commercial whaling.

The council said the resolu-tion will be sent to the Japanese Government and INC member

nations. Taiji has been one of the main whaling herbours of Japan for

nearly 800 years.

A council official said the residents want the Japanese Government 10 exert diplomatic pressure on INC member nations in an effort to scrap the lotal ban on commercial whaling, which is 10 take effect

UK record wheat Fresh surge harvest expected

BY TERRY POVEY

year could reach a record shove be down on last year. Barley 1981's 8.59m tonnes, according output will, however, he par-10 the latest Issue of the Home Cereals Authority Cotton Advisory Committee bulletin. The total grain crop could reach 20m tonnes pro- barley reach the 10.15m tonnes viding rields are of the order harvest of 1981, say the of the last two years.

The size of the 1982 wheat crop reflects a sharp swing by growers lowards higher yielding wheat and away from both barley and oats. Wheat sowings were confirmed as up 10 10 per cent on 1981, to an estimated 1.64m hectares, while the acreage for barley and oats were down 4 and 11 per cent respect-

According to the HGCA the the continent.

THE UK wheat harvest for this output of barley and oats will tially holstered by an increase in winter sowings. Only exceptional yields could see barley reach the 10.15m tonnes Authority.

A 20m tonne grain harvest would leave the UK with a considerable surplus of wheat and of barley for export next season with the prospects for exports of malting barley par-ticularly promising, added the HGCA. Demand from within HGCA. Demand from within the EEC for some of this surplus could be good given the dry weather affecting much of

Milk Board studies financing schemes

its manufacturing capacity to meet the expected rise in cheeses.

British milk production, Mr
Geoffrey Barr, the chief execuadded, of the extra cash being live, confirmed yesterday. More income is also needed to cover continuing inflation. But he stressed that only tentstive recommendations had been made and that full consultations with the 12 original committees representing members would have

to be completed before any definite proposals could be drawn with the total milk supply expected to go on increasing by about 2 per cent a year and liquid milk sales stall falling -though at a reduced rate-the Board's manufacturing capacity, which is already under strain, could run short by 1984. After that an annual growth in capacity of at least 4 per cent is likely to be required.

THE MILK Marketing Board is studying, ways to hoost its of the new capacity would be finances so that it can increase for new products rather than butter and the traditional hard

raised by quadrupling the producer levy, which has remained at 0.046p a litre since its introduction in 1969.

It is possible, however, that a doubling of producers contributions would be sought, be said. This would bring in an extra £6m a year to which would be added a proportionate increase in borrowing power.

Increasing the capital levy would require an Act of Parliament so it is likely that the increased contributions would be raised through the existing rolling fund under which 3.5 per cent of producers' milk cheques are beld back till the end of the year. This rate might be increased or the roll-over period extended, or both.

in tin market

By John Edwards. Commodities Editor

TIN PRICES rose strongly again on the London Metal Exchange yesterday, with speculative buying giving an extra boost to the market. Standard grade cash tin closed £227.5 np at £5,970 a tonne—a rise of nearly £800 on the past weak.

The cash price premium over the three months' quotation widened to £45, reflecting the continued buying of cash tin by the huffer stock of the International Tin Council, which has been behind the recent surge in values.

Yesterday, however, a significant chart buying point was triggered off bringing in speculative buyers, but this interest faded away at the bigber levels and the market came back sharply in late kerh trading.

Reuter reported that a special session of the Inter-national Tin Council will be beld on August 9, mainly to hear the response of the U.S. Government to this request for a suspension of U.S. stock-piled tin sales.

The possibility of additional borrowing to finance buffer stock purchases is also on the council's agenda.

Copper prices also moved
np again yesterday, encour-

aged hy the overnight rise in New York and the early firm trend in gold. Higher-grade cash copper closed £16.5 up at £874.5 a lonne, but the market essed in late trading The builion spot price of silver was lifted by 11p to

403.95p a troy ounce at the morning fixing, but the market lost ground slightly in late trading.

J. Aron and Co. New Yorkbased precious metals dealer. claims in its annual silver review, just published, that the market is clearly moving in a new direction. It notes that after a period of large surpluses and declining prices, silver supplies are moving towards a balance and

INDONESIA

Drive for sugar self-sufficiency

BY RICHARD COWPER IN JAKARTA

world's largest exporters of sugar and now an importer, has embarked on a drive to achieve self-sufficiency before the end of the decade.

In the short term, however, Indonesia is likely to remain a sizeahle importer, though fears that last year's record import levels would continue for several years to come saem to be unfoupded."

In 1981 Indonesia imported a record 768,000 tonnes of refined sugar, up 73 per cent on the 445,000 tonnes imported the year hefore. But with record toones now in government ware-houses and a 140,600 tonne increase in domestic sugar production forecast for 1982, the governmeor may be obliged to slash anticipated imports of between 700,000 to 800.000 tonnes by more than a third.

Indonesia's falling sugar pro-duction levelled out in 1981 to .27m lonnes of refined sugar and is expected to increase the search of refined sugar from the sugar is now being regarded as around 1.4m tonnes now to sugar is now being regarded as around 1.4m tonnes now to sugar is now being regarded as around 1.4m tonnes of the sugar is now being regarded as around 1.4m tonnes of the sugar is now being regarded as around 1.4m tonnes of the government's top agrifulties. Though the programms is beset cultural priority.

The based on an increase in the programms is beset cultural priority.

Though the programms is beset cultural priority. and is expected to increase to

season.

The change in pricing policy the government shifted the country's augar price structure is just part of its overall plan to achieve self-sufficiency in sugar production. The govern-

all time record last year—in 1980 the Indonesian government embarked on a mammoth involves expenditure estimated at over \$2,000m is aimed at boosting Indonesian's produc-tion of refined sugar from

sugar industry.

have escaped the notice of mated at around \$1,800m. many of the nation's economic ment realised that the then World War the industry emprevailing price structure ployed around 500,000 people merely encouraged sugar pro- and was producing around 3m ducers to shift over to more tonnes of sugar a year. At that profitable rice cultivation. This time Indonesia was second had resulted in declining sugar only to Cuba as an exporter. output, and a steady increase But since then new governin imports year after year.

Badly hit by this ever-rising to come by and in the last 25 sugar import bill—which hit an years ontput has never exceeded 1.3m tonnes a year. Though there have been some improvements since the new programme to regain self-sufficiency before the end of Suharto came to power in 1985. the decade. The plan, which more often than not neglect has been the order of the day. This is no longer the case. Next to self-sufficiency in rice,

INDONESIA, once one of the to the large increase in the targets much too ambitious, the rehabilitating 27 out of the government's fixed producer new effort is a welcome sign country's 58 sugar mills. At a price for sugar which took place of the government's intention cost of around \$250m the aim prior to the 1981 planting to rejuvenate the country's is to have rehabilitated 43 of them by 1983. At the same time In spite of Indonesia's mas- the Government is planning to sive employment problem, the set up 18 new mills and open fact that the sugar industry has up around 300,000 hectares of at every level to about twice slways been highly labour in-the price prevailing in 1979— tensive until recently seems to outer islands. The cost is esti-

Six of the mills have now planners. Before the Second been tendered for and the World War the industry em. Government plans to offer another six for bids sometime this year.

> Sugar experts are of the opinion that few if any of the projects now on the drawing board could pay their way if they had to compele for sugar sales on the world market, though most welcome the Government's drive to put new life into the industry. They say the largets are much too ambitious and extremely costly.

Apart from these difficulties, they say that finding enough skilled workers to run the factories and manage the plan-tations will be a major inhibitsugar is now being regarded as the government's top agricultural priority.

Stappe 10005181, 120013 will be a major infinitely the sugar is now being regarded as ing factor. Indonesia should, the government's top agricultural priority.

Malaysia seeks hints on marketing

BY WONG SULONG IN KUALA LUMPUR

MALAYSIA is to send a team. to Australia to study the mar-keting system for its commodities. Mr Fraser, the Australian Prime Minister, said yesterday in Kuala Lumpur.

He said that during his talks with Dr Mahathir, the Melay-sian Prime Minister had expressed discochantment with the present marketing system for Malaysia's export commodities in which Malaysia had little influence over prices.

Mr Fraser said he appre-

ciated Malaysia's problems as Australia had, in the past, suffered from manipulation and control by a few buyers and

wheat and sugar, are now handled by the respective marketing boards, and this bad Rubber Agreements, and the given Australian producers a inability of the bufferstock manstrong bargaining position, Mr

Fraser said. He said in the case of meat, the policy is that where there is only one buyer from a foreign country, the negotiations would he bandled through the Australian Livestock and Meat Corporation, instead of indi-vidual meat exporters. This This practice is being extended to coal exports, although there is no formal legislation.

fixing prices. In the past two years, Malaysia has grown dis-

Australia's exports of wool, enchanted with the stand taken posais for rubber and tin futures trading on the Kuala Lumpur Commodity Exchange (KLCE). by consumers in the International Tin and Natural Primary Industries Minister Paul Leong said. agers to boost prices through

Mr Leong said he has lustructed both committees working out arrangements for rubber galvanise the rubber and tin and tin futures to be traded on the KLCE, to complete their reports by the end of September, reports Reuter.

The Minister will submit a the producers' associations final proposal for the Govern-should play a direct role in ment's decision, on the recommendation by the commodities The Malaysian Government trading council which will he will soon decide on the pro- based on the two reports.

LONDON OIL SPOT PRICES

			Latest	<u>. + 0</u>
CRUOE	01L-FC			
Arabian	Light.	31	,50.31,6	₽—D.
Iranie n	Light	:30	,40.30,E	0 -0,
Arabian North S	HORVY /	1 23	47.32	go.
Africani	Borne I	1 ht 53	70.34 1	0.

PRODUCTS -- Herth West Europe CIF (5 per tonne

GOLD MARKETS

Gold rose \$4 an ounce from Monday's close to the London builton market yeslerday to finish at \$350;-351. The metal opened at \$355.356 and traded between a high of \$357.3571 and

between a high of \$357-357; and

a low of \$3481-349. The metal failed to bold its higher opening

level and fell back on profit

In Frankfurt the 12 kilo bar was fixed at DM 27.810 per kilo

(\$357.0 per ounce) against DM

27,575 (\$352.98) previously and closed at \$349-350 from \$349-

In Luxembourg the dollar per ounce equivalent of the 123 kilo

bar at the fixing was \$357.0 from

In Paris the 12; kilo bar was

Au2. 3

\$35014.35114 (£12912-200) \$355.556 (£20112-202)

Gold Bullion (fine gunce)

ONS

GAS OIL FUTURES After a steady opining the merket drilted lower throughout the dey in continuing quiet condimens. The physical merket was similarly lacking in interact, roports Premier Men. Vort Day a 1- or Business

Month	olose		Dano
	# U.S.		
	per conn	G	
AUGUST	286.75	-0.76	266,00-86,50
Sept	2e1.50	-2.00	284,26-61,25
Oct	253.00	-2.00	205,76-65,00
	284.50		286.00-84,50
Hov			238.50-06.00
Dec	. \$86,00		
Jan	289.DO	+ 1:00	
Feb	289.DD	+ 1.68	_
March	227,50	+ D.50-	
MADE COLUMN	985.00	-2.50	
April			
. Turnover.	1.993 (816) lo	ts of 100
12nnea.			

fixed at FFr 77.000 per kilo (\$354.49 per ounca) in the afternoon compared with FFr 77.000 (\$355.33) in the morning and

FFr 75,500 (\$347.43) on Monday

In Zurich gold finished at \$348-351 from \$350-353.

Yest'rday's +or Business

LONDON FUTURES

& per troy

\$3491₂.3501₄ \$3491₂.3501₅ \$352,125 \$351.36

(£205-12) King Sov S90.9112 (£5114.59)
(£105-1-10514) Victoria Sov S90.9112 (£5114.58)
(£5354.5414) French 20s 57714.7954 (£5414.44612)
(£205-20514) 50 pace Mex. 54273.4804 (£2441.4462)
(£205-20514) 100 Cor. Aust 84493.54814 (£19412.195)
(£4714.4714) 320 Eagles \$395-405 (£22512.85114)

August ... 188, 50 0, 50 + 0, 800 203, 25 - 3, 50 50 pt 'mb' r 201, 00 - 2, 63 + 0, 560 204, 80 - 1, 55 0ctober ... 205, 00 - 3, 24 + 4, 550 265, 70 - 2, 26 No vember 204, 50 - 1, 77 + 0, 480 265, 20 0ecember 806, 25 - 7, 00 - 4, 125, 210, 00 - 5, 80 January ... 807, 75 - 9, 50 + 0, 125 - 7, 60 - 5, 11, 8 + 10, 125 - 1, 125 - 10, 125

Tumover: 125 (360) lots of 100 troy

AUB 2

(£1291₆.2001 (£1291₂.200) (£200.950) (£200.592)

afternoon.

Month

BRITISH COMMODITY MARKET BASE METALS

9ASE METALS seemed strongly on the London Metal Exchange, but generally deckned later to close little changed on the day. Copper was an exception, having a very stoady day with a high pl £882 before the close at £877.5. The alao, advanced, touching £6.920 before closing at £6.820. Lead was finally £311, Zinc £417, Aluminium £569 and Nickel £2,865.

Ameigemated Metal Trading reported that in the morning high-grade cash copper traded at 6573.50, 74.00, 74.50. Three months £879.00, 78.50, 78.00. 78.50, 78.00. Kerb: Highr Grede, three months £883.00. Kerb: Highr Grede, three months £876.00, 79.50, 80.00, 80.00. Atterneont Hight Grade, three months £876.00, 73.00, 74.50, 76.00, 75.50, 75.00, 76.50, 80.00, 80.50, 91.00, 80.50. 51.00, 80.50, 91.00, 80.50, 91.00, 80.50, 91.00, 80.50, 91.00, 80.50, 80.00, 80.50, 91.00, 80.50, 80.00, 80.50, 91.00, 80.50, 80.00, 80.50, 91.00, 80.50, 80.00, 80.50, 91.00, 80.50, 80.50, 91.00, 80.50, 80.50, 91.00, 80.50, 80.00, 80.50, 91.00, 80.50, 80.00, 80.50, 91.00, 80.50, 80.00, 80.50, 90.00, 79.00, 78.00, 77.00. Turnovers 80,00, 79.00, 78.00, 77.0. Turnovers

TIN Official - Unafficial -t High Grade £ £ £ Cash...... 6840-50 + 100 6965-75 - 227 3 months 6810-80 + 137 6920-30 + 190 8ettlem t 6850 + 204

Cash..... 5024 -2.55 300.1 +.75 S menthe 513.5-4 -2.5 309.5-10 +.75 Settlem't 304 -2 28-8 Lasd Morning: Three months £316.00. 15.00, 14.50, 14.00. Kerb: Three months £316,00, 14.00, 13.00. Afternoon: Three months £312.00. 11.50, 11.00, 10.50. Kerb: Three months £31.00: 12.00,

Tumover: 17.400 tonnes.

Zino—Morning: Three months £420.00, 19.50. Kerb: Three menths £420.00, 19.50. Alternoon: Three menths £419.00. lerb. Three months £419.00. Turnover:

Aluminm s.m. + or p.m. + or Unofficial -1

Spot. 558,5-9 +4,25554,5-5,5 +3,25 menths 578,5 +8,76 575.5 +3,5 Aleminium-Morning: Cash £558.50. Three months 5573.50. 73.00. 79.00. 80.00, 79.00. 78.50. 78.00. Kerls: Three months £759.00. 78.00. 77.00. Atten-mont: Three months £575.00, 78.00.

77.00, 78.00, 78.00, 74.00, 78.00, 75.55, 75.00. Kerts: Three months E577.00, 76.00, 75.00, 74.00, 73.00, 72.00, 73.00, 75.00, 75.00, 63.00, 75.00, 65.00, 75.00, 65.00, 75.00, 65.00, 7

69.00. Turnover: 14.450 tonnea. a.m. + or p.m. + er Official - Unofficial -7 Boot 2913-25 +85 2825-35 +60 3 months, 2840-5 +35 2875-80 +60

Nickel — Morning: Three months £2,840, 50, 35, 30, 40, Afternoon: Early-Aug £2,820. Three months £2,850, 55, 70, 80, kerb: Three months £2,855, 70, 60, 70. Tumover: 650 tonnee.

LLS. cant equivalents of the fixing levels were: spot 708.5c, up 19.7c; three-month 729.6c, up 20.1c; sixmonth 751.5c, up 19.7c; and 12-month 795.2c, up 20.5c. The metal opened at 408-417p (718-722c) and closed at 402-405p (706-710e).

SILVER Sullion - er LM.E. +er per fixing - p.m. Linoflic I

Futures traded within a narrow range throughput a featuraless day for prices to close unchanged on yesterday. Actuals business remained ecarca with both oroducars and consumers aidelinad, reports Giff and

COCOA	Clese	+ or	Business
	£ per tonne		Done
Sept	280-81	-5.5	885-75
Oec	922-23		925-16
March		+3.0	956-46
Меу		× 6.5	976-67
July		+6.5	aa7-90
Sept.		+7.0	1012-07
0sc		+7.5	
	481 1.428 le	ots of J	Senage 0
ICCOD	aily price lo	guA 10	3- 69.86
	J*		

69 a7 (69.81) COFFEE

115.07 (115 10).

The market opened around unchanged as expected and than steadily improved throughout a quiet season, reports Dreval Bumnam Lambert Afre. noon dealing consisted mainly of awitch trading with values maintaining their earlier gaine.

COFFEE Yest day e + or Business Closs - Done Sept. 1155-57 +2.5 1157-42 Nov. 1043-44 -8.0 1045-32 January 922-95 -9.5 992-25 Merch 962-25 +9.5 992-28 May 233-25 +6.5 932-28 July 923-25 -6.0 930 Sept. 905-20 +7.5

Seice: 2,232 (1,919) lots of S tonnes, ICO indicator prices for Aug 3 (U.S. cents per pound): Comp daily 1979 114.70 [115.04]; 75-day average

GRAINS The merket opened 5p dawn on wheet with barley unchanged Wheat drifted off during line day tosing 20-40p due to commercial solling, while bailey traded around unchanged to immer on Sept. Now and Jan at the close. Both commodities trading good volumes. Acti reports.

Yesterd'ye for Yest'rdy's for

Sept. 109.35 -0.25 104.85 +0.27 Nov... 115.20 -0.25 109.55 +0.05 Jen... 116.70 -0.55 113.25 +0.05 Mar... 119.80 -0.46 115.49 May., 123,25 -0.65 112,55 July., 126,80 -

Business done—Whest: Sept 109 60109.25, Npv 13 30-113.10, Jan 116.9516.85, March 120 25-113.80, May 123.8523.15, Seles: 193 fots pl 100 ronnes,
Berley: Sept 104.80-104.65, Nov 108.55108.45, Jan 112.20, March 115.40, Mey
18.55, Seles: 148 lots of 100 ronnes,
HGCA—Locational ex-farm epot
prices. Feed barley—S East 98.90,
S Wast 100.00, W Mids 97.70, N West
98.10. The UK Monetary Coefficient for
the week beginning Mendsy July 9 the week beginning Menday July 9 (besed on HGCA calculations using five deye exchange rates) is expected to remain unchanged.

WOOL FUTURES SYDNEY GREASY WOOL-Close (in

order: buyer, eeller, business). Australien cents per kg. Oct 522.0, 523.0. b23.0. Dec 525.0, 527.0, 527.0. March | Nickel — Morming: Three months | 123.0; Dec 525.0, \$27.0, \$27.0, May 53.0, \$33.0, \$30.0, \$0.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10

May 421, 425, mil; Aug 431, 435, 454; Oct 432, 437, 435; Oct 434, 441, mil; Jan 435, 442, 444,443, Şalee: 33 (55). RUBBER

The London shysical market ppened sightly steady, attracted little physical interest throughout the day closing quies tewis and Pass recorded an August leb price for Np. 1 RSS in Kuela Lumpur of 198.0 (195.5) cents a kg and SMR 20 171.5 (seme).

No. 1 Yest'r'ys, Previous : Susiness R.S.S. close close Oone

Sept ... 50,60 51,80 50,40 50,50 Ct ... 51,10 51,70 50,88 51,10 Oct-Oec 52,10 52,20 51,70 51,80 52,20 51,70 Jon-Mer 55,00 56,20 54,70 54,50 55,20 54,50 Apt-Jne 57,10 57,20 57,00 57,10 57,20 57,00 JJy-Sept 60,10 50,50 59,70 53,80 60,10 Oct-Oec 53,00 62,50 62,50 62,50 58,00 Z7n-Meh 55,40 55,50 64,80 54,50 55,50 65,00 Apt-Jne 57,20 58,00 57,00 57,70 Seles: 101 (190) lots of 15 tonnes. nil (11) lots of 5 tonnes. Physical closing prices (buyers) were: 6pot 43.50p (seme); Sept 50.75p

(same); et 51 00p (same). SOYABEAN MEAL

The merket opened eround unchanged in Jhin conditions, reports T G. Roddick. Prices limed on weeks sterling and commission house buying market closed with moderato .Yasterdya' + pr : Business . Close — Oono

SUGAR

LONGON DAILY PRICE—Raw suger 198 (£105) a tonne cil Aug-Sept higmant White sugar daily price shomant White sugar daily price [132] (£130). The marker hald on the higher levels during the morning. Later, however. New York assed sharply and loased of some [4.00 were quickly recorded, reports Czernikow.

No. 4 Yesterday Pravious | Sueiness

Sales: 3,598 (2,015) lots of 50 tonnes

Sales: 3,598 (2,019) lots of 50 tonnes. Tate and Lyle delivery price for granulated base white euger was (405.90 taums) a roone for home trado and £213.50 (£210.00) for export. International (2210.00) for export.
International Sugar Agrosment (U.S. cents per pound) tob and allowed Cambbasa ports Prices for August 2: Oaily price 7.36 (—): 15-day average 7.75 (—).

COTTON

LIVERPOOL—Spot and ahipment galax smounted to 45 tomes. A fittle more business was conducted, but most users were rejuctant to appears irrely. Minor support teme in specialist qualities grown in the Middle East, with additional interest taken in North American styles. **POTATOES**

LONDON POTATO FUTURES—The market traded queter, esseing back an profit taking in line with easier Outch market resorts Coley and Herper. Closing orices. Nov 53 80. —0 60 (high 60.00, low 53 50). Feb. 68.30. —0.80 (high 68.50); April 81.10. —0.50 (high 91.10, lew 78.50); May 90.83. —2.10 (high 91.00, low 89.00); Nov 64.50, unphased (high 64.50, low 64.01) Tumover 355 (638) lots of 20 tennes.

PRICE CHANGES In thones unless otherwise Stated.

Aug. 5 '+ or Month

Grains BerloyFut, Nov.£102,55 +0.85£104.70

Other commodities
Cocoa ship " . £920.5 -5.5 £966
Futurs Ooc £933.5 ... £934.5
Coffee Ft Nov £1045.5 .+2.0 £1,11.5
Cotton Alindex 78.40c 78.35c
Gas Oil Sept ... \$231.60 48.5s
Sugar (Row)... £108x ... 48.5i
Woolt pe 64x kl. 382p klici 385pklic ‡ Unquoted. x Aug-Sept. v July-Aug. w Aug. y Seet. t Oct. 1 Per 16 lb fleak. • Ghane coope. n Nominet.

INDICES-FINANCIAL TIMES Aug. 2 July 50 M'th ago Y'ar ago 250 47 | 22B,51 | 255.70 | 275.00

(Bese: July 1 1952 - 100)

REUTERS Aug. 5 Aug. B M'th ago.Y'er ago 1555,6:1543,9 1550.4 - 1766.1 (Sees: September 18 1931 = 100) MOODY'S Aug. 2 July 30 M'th ago Y ar ago

AMERICAN MARKETS

stockpile operations.

Malaysia is now trying to

producers together to give more teeth to the producers' associa-

tions, although there is dis-

agreement between Malaysia

and other producers on whether

76.95. Jeh 77.55. March 79.95. Mey 80.35.

*Oold—Aug 345.9-3a6.9 (353.7),
5cpt 2-2.1 (356.4). Oct 350.5-32.24.
Oec 357.5-358.5. Feb 365.4. April 372.3.
June 380.5. Aug 388.2. Oct 396.0. Oec 404.4. Feb 412.1. April 420.0. June 428.0. Seles: 42.00 (42.789).

*Platinum—Oct 290.0-290.5 (296.5). Jan 297.6 (305.2). April 305.3. July 312.8. Seles: 2,785 (1.923).

Potatoes (round whites)—Nov 69 2.
89.4 (68.5). Feb 70.3-70.2 (70.01). Merch 78.7. April 89.5-80.0. Sales: 446 (350).

*Silver—Aug 890 0 (709.51. Sapt 590.0-697.0 (715.0). Oct 702.5. Oec 712.0-720.0. July 770.7. Soet 795.9. Oec 808.7. Jan 919.3. March 531.5. Mey 848.7. Hendy and Herman bullion spot: 697.00 (893.00).

Suger—No. 11: Sept 7.32 (7.72). Oct 7.48-7.54 (7.99). Jan 7.91-7.99, March 8.50.8.31. Mey 8.73. July 8.98.39, Sept 0.30. Oct 9.45. Sales: 9.458 (5.483).

CHICAGO. August 2.

NEW YORK, August 3.
THE FORK MARKET rebounded extremy as extreme temperatures currentad country merketing, while the cattle complex was mixed. Suear came under beey local and commercian double of the merket sharply lower. Rumours of on impending quota cut in coffee railed the merket sharply in early months. Ceces was mixed under the merket sharply in early pressure as the demand for physicals died up. Soyabeans were slightly fower, meiza merginally highly fower

Saarley—Oct 108.4, Oct 111.2, Merch 113.7. May 115.1. §Wheet—SCRWS 13.5 per cen1 protein content of St. Lawrence 227.94. All cents our pound ex-werehouse unless otherwise stated. *5 per troy ource. *Cents per froy omec. *Cents per froy omec. *†Cents per foolbahel. Conts per 60-1b bushol. || § per ahort ton 12.000 || b). § \$Cen. per metric ton. *† Cents per 56-lb bushel. 1 Cents dozen. 11.5 per metric ton.

Monday's closing prices NEW YORK, Aug 2 ftCocoa—Seot 14/3 (1525), Oec 1470 (1658), March 1525, May 1575, July 1619, Sept 1660. Salee: 2,125 (1,854), Cptton—No. 2: Oct 66,60-65,65 (86,50), Oec 70,70-70,75 (70,67), March

EUROPEAN MARKETS

ROTTEROAM, Aug 2.

Wheet (U.S.S per tonne)—U.S. No 2
Red Winter Aug 143, Sept 148. U.5.
No 3 Amber Durum Aug 170, Sept 171,
Oct 175. Hov 179, U.S.-No 2 Northern
Spring 14 per cent Aug 176. Sept 175,
Oct 177. Nov 180. Canedian Wastem
Red Spring Aug 200.
Meize (U.S.S per tonne)—U.S. No 280 (FFr our 100 kilos)—Seet
178 Aug 121, Sept 116, Oct/Occ 119. Jan/
Merch 125 sellers
Soyabeans (U.S.S por tonne)—U.S.
No 2 Yellow Gullports Aug 246, Sopt
245, Jen 251.25, Feb 255.20. Merch
259.10 cellers, Oct 239 treded,
Goyameal (U.S.S per tonne)—44 per

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Companies and Markets

CHAIRMAN DEFENDS BANK AFTER PENN SQUARE LOSS

Continental Illinois sticks to its guns

BY DAVID LASCELLES IN CHICAGO

It was a terrible mistake." These were the kind of words man of Continental Illinols, yesterday used to describe the way his bank acquired a huge exposure to bad energy loans through the Penn Square Bank of Oklahoma City, which failed last month.

But Mr Anderson sald he still believed his bank's lending tech-niques were "basically correct."

While some changes no doubt will be made as a result of our reviewing the matter, we have no intention of pulling in our horns. We are going to stick to the basic direction of this was not alandard practice. our strategic plan."

whatever the underlying fac-

tors, there is no denying the success of most of the major

U.S. pharmaceutical companies

in keeping profits moving up during the first half of 1982, a

period that has seen many other sectors of U.S. industry

struggling to keep their heads

Not that it has been a boom

time for every company in the

sector. The pharmaceuticals business is of truly inter-

national dimensions now and

the leaders bave not always been able to protect themselves

against swings in world currencies or downturns in

national economies. Moreover,

most companies have seen drooping sales in any non-

they are involved. This has

speeded up the trend of the

pharmaceutical leaders to move

further into health care and

away from such kindred areas

animal nutrition.

moving upwards.

cosmetics, pesticides or

Of the major companies to

report on the second quarter

this year, Pfizer, Eli Lilly, Squibb, Smithkline Beckman

and G. D. Searle have turned in substantial profit gains, while Merck and Schering-

The profits have come from

"human care" side of the business: prescription drugs

have kept profits

the industry calls the

either in hospitals or

have been able to push ahead tions

manufacturers

to explain exactly

OUR SYSTEMS broke down. bank remains "strong, finan-it was a lerrible mistake." cially sound and stable," and that given time it would recover from its recent setback.

His comments, made at a Presconference here, were his first since Continental Illinois reported a \$61m loss as a result of its involvement with Penn Square from whom it bought \$1bn of energy loans. He would not detail how the bank's controls had failed. All that was stilt being investigated, he said.

Mr Anderson maintained that Continental's practice of using individuals rather than committees to approve loans was right, but acknowledged that our strategic plan." "We believe in decentralisa-He also maintained that the tion," he said.

as arthritis and heart disease,

rush out to buy medicines durand to counter the economic which used to be a major ing an eronomic recession. But recession by more aggressive driving force for the company.

Pfizer, one of the major

forces in prescription drugs, is

well on the way to the record

profits for the full year, Clear-

ance by the Federal Drugs Authority in January for Pro-

cardia, a heart drug, and in

March for Seldene, which is

by 34 per cent to \$80.6m on

The success of theae drugs on

world markets enabled Pfizer

to shrug off the effects of a strong U.S. dollar on the 60

per cent or so of profits which

usually come from outside the

The same picture can be seen

at Ell Lilly, which recorded a 22 per cent gain in second

referred to the "outstanding performance" of the pharms-

ceuticals division, where there

were particularly strong sales of Moxam, a new injectible

anti-blotic, licensed from Shlonogl of Japan, and Cellor,

But both Lilly and Pfizer,

like many others in the indus-try, have interests in other

been so easy in these opera-

Mandon and Keflex.

privately. In the U.S., with its areas allied to pharmaceuticals strong private medical sector, and the going has not always

used to treat arthritis, were health trading

major factors in boosting profits specialty chemicals, and the

Terry Byland in New York explains how U.S.

pharmaceuticals groups have kept earnings rising

sales 10 per cent higher at closed that profits outside the

\$875.3m in the second quarter. bealth care business were poor.

medical

time round.

marketing strategies.

IT MIGHT take a psychiatrist meni of such urban illnesses

why people

Continental has launched a renental has had problems fund-view of the affair by a task force ing itself in the market for

there will be questions which gency funds. we can't answer.

view the review.

Looking shead, Mr Anderson said the recent decline in U.S. ioterest rates meant the bank "generated a good earnings flow in July," but he declined to predict how the hank's profits would look at year end. He warned that bad losus might increase because of the reces-

He acknowledged that Conti- part of them.

products

and still turned in about 30

per cent of total sales in 1981.

But the improvement largely

reflected better sales of Beam,

itsc anti-rice blast herbicide

The rest of thia division suf-

fered from the setback in

Pfizer, which has such non-

Coty cosmetics business, dis-

At G. D. Searle, whose annual sales were almost \$15n

last year, profits looked a good

deal better in this year's second

quarter as a result of the

which cost the group \$32m last

profits this year came from Nutrasweet, ao artificial sweet-

position in a suddenly booming

market for sugar substitutes.

benefited from management decisions to move closer to the

health care sector, and to get

out of other businesses which it inberited from the 1968

Savers. It recorded a 27 per cent jump to record earnings

with Beech-Nut Life

Squibb is another to have

The major boost to Searle's

to close down the

products division.

world agriculture.

cultural

consisting of bank officers, out- certificates of deposit. The side acrountants and lawyers. In bank says its access to other

Mr Anderson used the occa-"to correct mis-

addition, Mr Anderson said he markets, however, including recommended that the Eurodollars and Federal funds, board of directors set up its remains unimpalred. Continenown three-man committee to re- tal bad not been forced to use the Fed's discount window "Until this work is completed, where banks can get emer-

sion to detail other bad or potentially bad loans on the bank's books statements." loans to AM International, Braniff, Massey Ferguson, and Nucorp. losas which had been questioned, but in most cases, the bank expected to recover a good

Health care sector rides U.S. recession in lifting earnings at its agri- for treating bigh blood pres-

> Pharmaceutical eve and skin care products have sold well in Kline, a leader in the field, pushed profits abead by 16 per cent in the latest quarter. There are strong hopes for worldwide sales of Tagamet, the company's anti-cancer drug, but the firm-ness of the U.S. dollar has undermined intercational profits.

Schering-Plough, with \$1.8bn sales in 1981, counter-balanced a downturn at its cosmetics and Scholl footwear units with successful pharmaceuticals sales in the U.S., Latin America and Japan. But this could not outweigh the blow from the loss of the U.S. patent on Garamycin., a successful antibiotic of which sales halved in the past year as cheap substi-

tutes entered the market. One area of health care attracting growing attention is the rapidly developing business of high technology patient care. Warner-Lambert, one of the world's largest producers of health care and consumer products, bas made this a target

pharmaceutical leaders bave always benefited from a huge bome market justify substantial investment in new drugs before taking on international competitors.

· But it is becoming clear that when the recession abates, companies will continue to with draw from non-health care operations, perhaps leaving some interesting operations in in the April-June quarter, agricultural pharmaceuticals or largely reflecting the success of in the retail cosmetic industries Lilly fared better than most Corgard and Capoten, two drugs for their rivals to pick up.

group in bid talks

Budweiser

By Richard Lambert in New York

ANHEUSER-BUSCH, the largest brewer in the U.S., has started preliminary merger talks with Campbell Taggart, which is based in Dallas and the second largest producer of bakery goods and refrigerated dough in the U.S.

The talks could lead to a bid for Campbell worth well over \$500m. It would be Anbeuser's first major step outside the beer

Campbell said yesterday that the initial approach had come from the brewing company, and that the talks were still at an early stage.

Anheuser has about 30 per cent of the U.S. beer market and its main brand. Budweiser is said to he by far the largest selling beer in the world. The position at the head of the U.S. market in the past decade by aggressive investment in mar keting and production.

Its past diversifications have been concentrated mainly on heer related businesses, such as container manufacturing and label production, but it has also moved into snack foods and play parks. Earlier this year the company said it was looking at possible acquisitions outside its traditional business.

Fiat sells Colombia stake

By Rupert Cornwell in Rome FIAT, the Italian motor group.

has sold a controlling interest in Automotriz, its Colombian offshoot, to Mr Salomon Kassin, a Colombian industrialist, for ao sum reported to be about

The deal, which was confirmed last night by Fiat in Turin, involves the disposal of the group's 80 per cent stake in Automotriz which assembles locally 131 and 147 (a version of the 127) models. The other 20 per cent of the Colombian company's equity remains in the hands of the state-owned Colom bian Development Institute.

The move represents rationalisation of Fiat's troubled Latin American operations, Losses in Brazil and, above all, Argentina, accounted for most of the L254bn (\$186m) deficit run up by the group's car division in 1981. In mid-June Fiat surrendered

control of Sevel. its Argeotinlan subsidiary, to local interests.

Banks meet on Ambrosiano

By Our Rome Staff

THE FATE of Banco Ambrosiano bung in the balance last ing the rescue consortium met to consider a second set of more permanent measures to secure the future of the battered Milan

The key question facing the pool members is whether to seek the formal liquidation of

Ambrosiano as it now stands (believed by many observers here to be the most practical solution). The move would mean the transfer of Ambrosiano's existing structure to the seven consortium banks, The alternative is agreement on a massive capital incresse for the Milan Bank (which

reports bere suggest could involve up to L1,000bn (\$732.6m) of new funds), which would have the effect of transferring it to the ownership of the seven.

Any solution which emerges here will then require the en-dorsement of the Bank of Italy, which appointed three commissioners now run-ning Ambrosiano, and also approval by the Treasury Ministry. Even so, the consortium banks were last night expressing their determination to aettle Ambrosiano's future within the next two weeks.

Saudi banker 'disowned'

By Our Financial Staff

THE Al Jassar family of Kuwait prominent banking and mer chant family, has disowned Ghazi Abdullab Al Jassar, a partner of Abdullah Saleh Al Rajhi, whose Saudi Arabian changing business is being sued for about \$300m by British, Belgian and other

Mr Abdulaziz Al Jassar, the general manager of kuwait's Burgan Bank, said last night that neither he nor any member of him family had any connec-tion with Ghazi Abdullah Al "We do not approve of his

activities and we have no tiles to him," said Mr Al Jassar. Mr Ghazi Abdullah Al Jassar is the joint partner of Abdullah Saleh Al Rajh. The Al Jassar-Al Rajh business in Kuwait is involved in foreign exchange and travellers cheques. Saudi Arabia, authorities are Ilquidating the Dammam-based

him several months ago. Burgen Bank sald vesterday it wished to make olear that the bank and its general manager—Abdulaziz Al Jassar -had never had any dealings with Abdullah Saleh Al Rajhi or Ghazi Abdullah Al Jassar.

husiness of Abdullah Salah Al Rajhi, whose family disowned

Tempo of new Eurodollar bond offers accelerates

BY ALAN FRIEDMAN

fixed-interest Eurodollar bonds per cent 1989 paper. was launched vesterday as shorttinued to decline. The U.S. Federal Funds rate stayed below 11 per cent and the six-month Eurodollar deposit rate declined point to 13 per cent.

Euromark dealers pitched prices around I point higher in the morning, but the gain was generally lost as more new issues came to market.

A total of \$760m of new paper has been issued this week. Some profit-taking was reported by dealers Yesterday saw two bond-plus-

warrant deals. One, for Du Pont, is a fixed-interest \$200m seven-year issue with a 141 per 1989 bonds at par. Lead-cent coupon at par. In addition, manager of the Single A-rated 200,000 warrants are on offer deal is Blyth Eastman Paine which may be exercised over a

The issue price on the Du

term dollar interest rates con- Pont warrants is \$38, but they sfternoon. Lead-managers on the Du Pont package are Morgan Guaranty, CSFB and Morgan 'Stanley. The other Double A-rated

bond-plus-warrant issue came from Xerox, which is offering \$100m of 1987 14 per cent bonds at par through Salomon Brothers and Goldman Sachs. The Xerox warrants, priced st \$30, enable holders to buy 131 following the weaker dollar per cent 1987 paper during the against the Swiss currency.

next three years.
Sperry Rand is raising \$100m through the issue of 15 per cent

A TOTAL of \$400m of new period of four years to buy 13} called back by Sperry in 1986 at 1012.

Air Canada is making its debut in the Euro D-mark bond traded at around \$34 late in the sector with a DM 100m 10-year issue bearing a 9 per cent coupon. Deutsche Bank is lead. manager and the bonds are not callable for the life of the issue. An incentive for investors should be the rarity value

of this paper. In secondary trading, D-mark bond prices were } point higher. "Swiss franc foreign bonds also gained a point

A SwFr 60m five year private placement is being arranged for Fairchild Industries, the U.S. contractor. defence Bank of Switzerland is placion the paper, which carries a 6 Webber. The bonds may be per cent coupon at par.

\$50m Mexican credit

a three-year credit organised by Rosenthal International, the brokerage group. The credit rate or an additional 1 per cent provides lenders with the option of participating for one, ated certificates of deposit, two or three years at either Libor or prime rate related interest margins.

For the first year the margin will be 1 per cent above Libor or # per cent above the U.S. prime rate If lenders wish to renew for a second year they will receive a ‡ per cent renewał fee.

For the second year the spread will be 11 per cent over Libor or 11 per cent over prime. A l per cent renewal fee is offered for lenders extending to the third year. The third year margin is li per cent above Libor or 12 per cent above prime.

that Credit Foncier de France finance oil, not just Libyan oil." is raising \$180m with a three- said a bank official.

CONASURO, the Mexican state food products marketing and Sumitomo Bank Tranche A agency, is raising \$50m through is a Y15bn credit ever 10 years. with an interest rate either at the Japanese long term prime over three-month yen-demonin-

> whichever is higher. Tranche B is a \$60m Eurocredit over 10 years with a spread of a per cent above to three - to - six - months Libor. Tranche C is a \$60m floating rate note issue over eight years, a spread of 1 per cent over the Singapore interbank offered rate.

In Eastero Europe, Yugoslavia's Liubianska Banka is seeking \$100m through an 18month revolving credit facility arranged by UBAF Limited. Ljuhlanska Banka in London yesterday denied reports that the funds would be used solely to finance the purchase of From France comes word Libyan oil. "Our desire is to

Sharp reverse for Boeing

By Our New York Staff

BOEING, the world's largest manufacturer of commercial aircraft, has suffered a sharp drop in sales and profits during the first half of 1982. Revenues in the balf-year fell from \$5.2bn to \$4.5bn and earnings slipped from \$284m to \$132m.

The second quarter brought earnings of just \$71m com pared with \$140m a year ago. The comparisons would have looked worse but for a marked fall in Boeing's federal tax provisions in 1982 On a pre-tax basis, Boeing's down from \$444m to \$148m Earnings per share totalled \$1.37 cents against \$2.95 for the first half and 74 cents against \$1.46 for the second quarter.

Total backlog of unfilled orders at the end of June amounted to \$20.2bn.

FT INTERNATIONAL BOND

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published oext on Wednesday August 18.

Closing prices on August 3

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S. DOLLAR		· Change on	
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. Illinois 15% 89	100	957, 963, -01, -21, 15.55	Fin. Ex Cred. 13% 8
e Pwr. 0/5 151, 89	60	100% 101% +0% +1% 15.20	Gen Elec. Co 121, 8
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C 144 87 (April]	80	993, 997, 0 +14, 14.80	Norsk Hydro, 141, 8
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151, 92'	100	100% 100% +0% +1% 15.36	Quebec 1512 87 C
ortfinens 142 89	50	997, 997, +02, +11, 14.55	Resd (Nd) NV 16% 8
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y Oil Inj. 14 89	125	100 1002 +02 403 13.90	SOR France 151, 92
AC O/S Fin. 16 88	150	1031, 1033, +07, +13, 14.98	Swed. Ex. C: 134 8
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n Oev. 2k. 151, 87	50	1044 1054 +04 +14 13.90	8FCE 514 88
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ns Petrol 14 89	200	983 983 +01 +1 14.32	CEPME 54 32
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rown Zellerbsch 64 92	100	1003, 1007s		6.65
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d. Fund Finland 62 92	30		+01/2 +01/4	a.96
apan Dav. Benk & 94	100	100% 101%		5.88
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C. Lux. de Cn1. 84 92	80	107 1074	0 +112	6.95
enska Hendela. 8% 92	100	981, 981,	+01, +01,	6.94
rolar Wasser 6% 92	100	981, 9812	+01, -04	6.44
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Solvay 81 C 14% 86 FFr 200 941, 951	+01, +17, 16.75
	+04 +04 16.43
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information available—previous day's price 1 Only one merket reaker supplied a price.

Straight Bonds: The yield is the yield to redemote of the mid-orice: the amount issued a in mid-orice the amount issued a in mid-orice the amount of the bunds where it is in billione. Change on wook - Change over gince a week earlier. Floating Rete Notes: Osnominated in deligra unless other

tosung hate notes: Genominated in deligra unless unex-wise indicated. Coupon shown is minimum. Cide=30th naxt coupon baccomes effective. Spread=Margin above six-month official large (\$ inter-month); § shows mean rate) for U.S. collais. Cign=The cultoot coupan-Civid=The current yield.

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US \$24,000,000 Term Loan Facility

Provided by

Wells Fargo Bank, N.A. Banco Internacional, S.A. Multibanco Comermex, S.A. Maryland National Bank

Wells Fargo Bank, N.A.



June 3, 1982

Deutsche Bank reports gain in half-year profit

BY STEWART FLEMING IN FRANKFUR?

DEUTSCHE BANK, West Ger- mercial bank which is recover- closes no group interim earnmany's leading commercial ing from recent setbacks, ings, but says that shareholders bank, reports a renewed surge Bayerische in operating earnings in the Wechsel-Bank in operating earnings in the Wechsel-Bank of Munich first half of 1982 following a reported a 4.2 per cent rise in further improvement in lending interest earnings and a 54.8 per margins as a result of felling cent gain in partial operating half operating earnings, the interest rates and short term earnings to DM 268.5m. gloomy economic outlook and

income of the has assets of DM 117.7hn, rose by 11.1 per cent in comparison with a six-monthly average of volume Bank and 16.4 per cent at Commerzbank—both of which suffered severe setbacks in the 4.9 per cent higher. previous two years and are still

Hypothekenund

Deutsche Bank's parent bank Interest income of the partial operating earnings rose German parent company, which 16.7 per cent to DM 902.3m, against a background of weak interim gains at the operating loan volume. The business level will have been cut back with a six-monthly average of volume of the bank at the previous year. This comDM 117.7bn was DM 400m pares with a 15 per cent rise below the end 1981 level. in interest income at Dresdner although the hank says that in its interim report says that average business through the aix months was

Worldwide group husiness reached record levels and econo deep in the recovery phase. volume increased DM 1.8bn to mic expectation. Another major German com- DM 198.2bn. The bank dis- again guarded.

can expect a satisfactory result for the year.

While German hanks are in general reporting higher first the continued uncertainty about loan loss experience means that in many cases, the impressive sharply when the annual net income figures are disclosed. Deutsche Bank, for example

volume in the first balf of the year economie activity stagnated, employment fell, bankruptciea mic expectations bave become

> In addition the group will incur a one-off cost of be-tween R3m and R4m when it mores into a new corporate bead office in October but this will be offset by rental sav-

The commercial hanking operation which provided most of the first-half profit will be further affected at the after-tax level in the current six months. It had been lending to corporate borrowers by means of purchases of

The tax authorities have

As a result the year's afterlower than the R65.7m of a year earlier.

The interim dividend has been maintained at 12 cents a sbare. Mr Henri de Villiers, managing director, says that this year's total dividend will be maintained at last year's 40 cents even if the year's earnings decline overall.

Stanbic warns of second-half downturn

By Our Johannesburg

STANDARD BANK Invest-ment Corporation (Stanbic), the South African hank 58 per cent owned by Standard Chartered of the UK, fears that it will suffer a profit downturn this year. In the six months ended Jone 30, group pre-tax profit rose to R49.6m (\$44m) compared with R44.Im for last year's first half and R84.9m for the whole of 1981.

In the half-year the bank's hire-purchase and consumer finance arm slipped into deficit as it had lent at what were essentially fixed interest rates at a time when the cost of funds was rising sharply. This situation will not be reversed before the end of this year.

preference shares.

decided that the cost of this type of lending will not be allowed for tax purposes. Although Stanbie bas appealed against this decision its management believes it prudent to make allowance for a higher tax bill in the second balf of the year.

tax income is expected to be 1981. In the first aix months of this year after-tax profit was R34.3m against R31.9m

These securities have been placed privately. This announcement appears as a matter of record only.



Dfls 75,000,000

OESTERREICHISCHE KONTROLLBANK **AKTIENGESELLSCHAFT**

10%% guaranteed bearer notes 1982 due 1987 guaranteed by

THE REPUBLIC OF AUSTRIA

Amsterdam-Rotterdam Bank N.V. Algemene Bank Nederland N.V. Bank Mees & Hope NV Pierson, Heldring & Pierson N.V.

U.S. \$75,000,000

Banque Worms

Floating Rate Notes Due 1994

In accordance with the provisions of the Notes, notice is

hereby given that for the six month Interest Period from

4th August, 1982 to 4th February, 1983 the Notes will carry

an Interest Rate of 131% per annum. The relevant Interest Payment Date will be 4th February, 1983 and the Coupon Amount per U.S. \$10,000 will be U.S. \$696,39.

Credit Suisse First Boston Limited

Agent Bank

Creditanstalt-Bankverein Österreichische Länderbank Aktiengesellschaft

July 30, 1982 .

Finmeccanica lifts interim sales

BY RUPERT CORNWELL IN ROME

FINMECCANICA, the engineer- total of L2,495bn (\$1.83bn). cent and a 31 per cent increase

However, the advances mask a sharp disparity between Italy,

declined, to L965bn from L982bn to L352bn from Y249bn.

ing division of IRI, the state-owned Italian industrial con-glomerate, yesterday reported a to L1.847hn out of a total of glomerate, yesterday reported a to LL847hn out of a total of rise in first-half sales of 17 per 12,996bn. Those booked abroad, however, grew much less rapidly, to L1,119bn from

The biggest sales gains were Foreign sales in the six space, essentially the Aeritalia overedl months ended June actually group, with a 41 per cent rise L65bn.

years has been the main single drain • Meanwhile, Saipem, the pipe-line and energy services sub-

money terms, to L1,059bn from L1,106hn. The succession of losses reported by Alfa in recent

where strong gains were regis- achieved by the energy sector, yesterday announced 24 per cent tered, and the comparative with a 54 per cent advance to growth in first-half sales to weakness of foreign husiness. L910bn. Next followed aero- L428bn, and an advance in Saipem's orders at the end of June atood at L2,700bn. The board expressed confidence in the corresponding half of However, the enduring prob1981, while turnover within lems of the group's car subthat results for the remainder
1881, while turnover within lems of the group's car subthat results for the remainder
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1881, while turnover within lems of the group's car sub1881,

Ruhrstahl to in November

By James Buchan in Bonn

be launched

fusion between the two West German steel concerns, Hoesch and Krupp Stahl, should come into being in November, according to Herr Detley Rohwedder, chief executive of Hoesch.

Herr Rohwedder explained that the break-up between Hoesen and its Dutch partner, Hoogovens was now in sight, with the final supervisory board meeting of their joint concern. Estel, set for September 13.

A decision then on the final dissolution of the trans-national partnership will open the way for an extraordinary meeting of the 10,000 Hoesch shareholders in November, and the birth

of Ruhrstahl. There remains, however, one "very serious problem." Herr Rohwedder said that Hoogovens is seeking to appropriate an unjustly large share of the Estel quota for steel production. Although Herr Rohwedder

did not say as much, Bonn offi-cials are scarcely impressed by the demands lodged by the future Ruhrstahl partners for state aid to launch their ven-ture. Although the Economics Ministry is relatively satisfied with the partners rationalisa-tion proposals to secure jobs in the long term, the demand for guarantees to finance an investment programme of DM 4.5hn over the medium term is felt to be optimistic in the ex-

ITT sets up Taiwanese computer peripheral plant

QUME CORPORATION, a sub-sidiary of International Telephone and Telegraph of the U.S., has received approval for a US\$10m investment in Tai-2 US\$10m investment in Tai- parts for its printers and drives wan to produce computer disk from the U.S. but it plans to

The company will start pro-duction in September at a tem-porary facility in the Hsinchu Science Park, about an hour's drive south of Taipei. By next July, it hopes to complete a drive south of Taipel. By next

July, it hopes to complete a

115,000 sq ft permanent facility

Mr Randy Wan, comptroller
of the Taiwan affiliate, Qume
Corporation (Taiwan) said the Sange Sange California.

Corporation (Taiwan) said the company will produce several version of Silicon Valley in Calimodels of dalsy-wheel printers fornia, was established two years ago to attract bigh-technology, capital intensive industries in fields such as computers, precision optics, and instrumendevices will be sold to original

equipment manfacturers who will market them under their own brand names.

Initially, Qume will import all use parts from Talwanese companles as soon as possible. Eventually, the firm bopes to he able to obtain all of its parts

The Science park, Taiwan's

Setback for Toyota South Africa

BY OUR JOHANNESBURG CORRESPONDENT

TOYOTA SOUTH AFRICA, the vehicle manufacturer, has sales of 48,386 vehicles against reported a fall in interim profits 41,646 a year earlier which before tax and last in first out lifted the company's market stock adjustments to R23m share to 21.5 per cent from 19.3 (\$20.2m) from R35.4m a year per cent.

earlier.

The company blamed the said the adverse trends are ex-downturn on the depreciation pected to continue and the of the rand against the yen and market will soften.

Mr Albert Wessels, chairman,

a rapidly rising South African
inflation rate. It increased the
interim dividend, however to 55
teents a share from 50 cents.

Toyota Motor Corporation of
Japan bas no equity interest in
the company but supplies It
with parts and technology.

NORTH AMERICAN QUARTERLIES

MANAGEM POTERNATIO	MAI ·		ST. PAUL			SUN		
Net profits Net profits Net per share Six months Revenue Net profits Net per share Six months Revenue Net profits	1962 \$	2.26m 0.50 103.4m 3.33m	Second quarter Revenue Nat prefits Net per share Six months Revenue Nat profits	47.5m 2.27	45.5m 2,19 970.8m 89.5m	Second quarter Revenue Net profits Net per share Six months Revenue Net prefits Net per share	110.0m 0.93 8.0bn 234.0m	258.0m 2.45 7.9br 418.0m
			SOUTHLAND CORPOR	AT!ON		SUPERIOR OIL		
Second quarter Revenue Net profits Net per share Six months Revenue	1982 S 155.3m 4.6m 0.30 310.1m 5.0m	5.7m	Second quarter Revenue Net profits Net per share Six months Revenue Net profits	1952 \$ 1.73bn 35.2m 1.48 1.88bn 44.7m	1.63bn 38.7m	Second quarter Revenue Net profits Net per share Six months Revenue Net profits	0.58 1.035n 155.7m	98.3m 0.78 997.1m 207.3m
Net prefits'	0.32	0.77	Net per share	. 1,88	1.63	Net per shere	1.22	1.63
			STANDARD BRANDS	AINT		TANOEM COMPUTERS		C-
Second quarter Pevenue	1982 S . 158.0m +11.7m 0.94	1981 \$ 152.2m 11.1 <i>m</i> 0.89		1981-82 8 68.4m 4.2m 0.77	1980-81 \$ 59.4m 4.0m 0.75	Third quarter Revenus Net profits Net per ehere Nine months Revenue	1981-82 \$ 84.4m 8.9m 0.23 241.7m	\$ 55.9m 7.2m 0.19
Het per share	316.8m 21.7m 1.74	277.0m 17.0m 1,37	Net profits Net per share STONE CONTAINER	177,2m 9.8m 1.81	164,9m 10.7m 1.99	Net profits Net per sham TRANSCO	27.7m 0.71	18.3m 0.50
MACMILLAN Second querter Revenue Not Plofits	1982 \$ 90.6m 3.4m	1981 \$ 83,4m 1,2m	Second quarter Revenue Net profits	1982 \$ 104.4m 2.3m	1981 \$ 105.5m 6.3m 0.66	Second quarter Revenue Net profits Net per share Six months	\$ 984.1m 43.7m 1.67	919.7m 33.0m 1.28
Net per share Six months Revenue Ney profits Net per share	0.29 160.4m 6,5m 0.53	0.09 166.1m 2.0m 0.15	Net per share Six months Revenue Net profits Net per share	0.24 209.8m 4.9m 0.50	208.9m 12.5m 1.30	Revenue Net profits Net per ehere TIMES MIRROR	1.28bn 81.7m 3.13	1.775n 66.3m 2.57
			gotá Financ	æ		Second quarter. Revenue	1982 .\$ 541.1m 33.1m 0.97	1981 \$ 539.5m 38.Sm 1.13

Corporation

U.S.\$25,000,000 **Guaranteed Floating Rate Notes 1985**

Unconditionally and irrevocably quaranteed by

Banco de Bogotá in accordance with the provisions of the Notes, notice is hereby given that for the six months period 4th August 1982, to 4th February 1983, the Notes will carry a Rate of Interest of 131/16% per annum with a coupon amount of U.S. \$69.96.

Agent Bank CHEMICAL BANK INTERNATIONAL LIMITED

81.7m 3.13 1982 .5 541.1m 0.97 1.08bn 53.3m 7 1.56 1982 8 41.0m 8.1m 0.25	2.57 1981 \$ 539.5m 38.5m 1.13
1982 .5 .541.1m .0.97 1.065n 53.3m / 1.55	1981 \$ 539.5m 1.13 1.04bn 64.5m 1.89 1981 \$ \$26.4m 26.8m
.\$ 541.1m 33.1m 0.97 1.06bm 53.3m 7.56 1982 \$ 541.0m a.1m	\$ 539.5m 38.5m 1.13 1.045n 64.5m 1.89 1981 \$ 626.4m 26.5m
.\$ 541.1m 33.1m 0.97 1.06bn 53.3m 7.56 1982 \$ 541.0m a.1m	\$ 539.5m 38.5m 1.13 1.045n 64.5m 1.89 1981 \$ 626.4m 26.5m
541.1m 33.1m 0.97 1.06bn 53.3m 7 1.56 1982 541.0m a.1m	539.5m 38.5m 1.13 1.045n 64.5m 1.89 1981 \$ 626.4m 28.8m
33.1m 0.97 1.06bn 53.3m 7 7.56 1962 \$ 541.0m a.1m	38.Sm 1.13 1.045n 64.5m 1.89 1981 \$ 626.4m 28.Sm
0.97 1.06bn 53.3m 7 7.56 1962 \$ 541.0m a.1m	1.13 1.045m 64.5m 1.89 1981 \$ 626.4m 28.8m
1.06bn 53.3m 7 1.55 1962 \$ 541.0m a.1m	1.045m 64.5m 1.89 1981 \$ 626.4m 28.8m
53.3m 7 7.55 1962 5 541.0m a.1m	1.89 1.89 1981 \$ 626.4m 26.8m
53.3m 7 7.55 1962 5 541.0m a.1m	1.89 1.89 1981 \$ 626.4m 26.8m
7 7.55 1982 S 541.0m a.1m	1.89 1981 \$ 626.4m 26.8m
1982 \$ 541.0m a.1m	1981 \$ 626.4m 26.8m
\$ 541.0m 2.1m	\$ 626.4m 26.8m
\$ 541.0m 2.1m	\$ 626.4m 26.8m
\$ 541.0m 2.1m	26.5m
a.1m	26.5m
a.1m	26.5m
0.25	0.96
1.02bn	1.16bn
27.3m	34.1m
0.93	1.19
1982	1981
S	\$
62.6m	165.5m
11.5m	7.88m
1.48	0.97
99.9m	314.4m
19.2m	
2.45	1.83
	27.3m 0.93 0.93 82.6m 11.6m 1.48 99.9m 19.2m

Bank of Tokyo (Curação) Holding N.V. US \$75,000,000



Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by

The Bank of Tokyo, Ltd. (Kabushiki Kaisha Tokyo Ginko)

In accordance with the provisions of the Agency Agreement between Bank of Tokyo (Curacao) Holding N.V., The Bank of Tokyo, Ltd., and Citibank, N.A., dated February 2. 1981, notice is hereby given that the Rate of Interest has been fixed at 133% p.a. and that the interest payable on the relevant Interest Payment Date, February 4, 1983, against Coupon No. 4 will be US\$348.19.

August 4, 1982 By: Citibank, N.A., London, Agent Bank

CITIBANCO

COMPANIA TELEFON

 The Company's shares are by far the most widely distributed common stock in Spain. The Spanish public sector owns 48.3 per cent of the share capital and more than 600,000. private shareholders the rest.

Compañía Telefónica Nacional de España is a stock Corporation whose shares are traded on the four Spanish



- The gross investment of Telefónica in 1981 was 3.73 per cent of the gross investment of the Spanish private sector. As of December 31, 1981, Telefonica had 64,518 employees that represented 0.2684 per cent of the Spanish working
- At the end of 1981 Spain had 31 telephones per 100

THREE YEAR SITUATION BALANCES 1979-1981

Assets	(Millions of pesetas unless oth	erwise stated) 1980	1981	U.S.\$ millions
Fixed assets Inventones and debtors Financial accounts Transitory accounts Contra and Special accounts Total	751,374.1 62,292.5 8,914.9 7,822.0 15,954.7 846,358.2	893,268.7 73,640.4 5,630.6 18,648.5 23,544.2	971,927.6 79,317.1 13,716.6 53,899.4 31,724.9 1,150,585.6	9,959.3 812.8 140.6 552.3 325.0 11,790.0
Stockholders' Equity and Liabilities				
Capital and reserves Non-reimbursable deposits from outside sources Allowances Long and medium-term debt Short-term debt Transitory accounts Contra and Special accounts Results	455,740.0 2,067.7 6,773.8 254,443.8 81,622.9 7,878.9 15,954.7 21,876.4	529,820.5 2;114.2 6,096.9 316,948.0 - 102,785.0 9,607.4 23,544.2 23,816.2	545,396.7 2,306.8 5,639.0 412,759.1 116,724.8 12,156.5 23,877.8 31,724.9	5,588.6 23.6 57.8 4.229.5 1,196.1 124.6 244.7 325.1
Total	846,358.2	1,014,732.4	1,150,585.6	11,790.0
(1 \$ = 97,59)			10.11	

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		24 20 2 4 4 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5		
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	1979	1980	<u> 1981</u>
Number of telephones in service at December 31 Increase over previous years (in %)	11,130,283	11,844,623	12,388,458
	7.9	6.4	4.6
Number of telephones installed during the year (net of removals) -	818,860	714,340	543,835
Telephones with automatic dialing in % of telephones in service at December 31	97.9	98.2	98.5
Telephone per 100 inhabitants Number of communities served at December 31	28.0	31.2	32.9
	15,177	22,090	28,993
Number of domestic long distance calls (millions) Number of international calls (millions) Long distance circuits (millions of kilometers)	1,780	1,966	2,104
	43	51.4	57.1
	66.3	73.6	79.7
THE RESIDENCE SECTION SECTION OF		7010	1 3.1

Companies and Markets

TORONTO Composite: ICI , 1411,9, 1412,4: 1418,0: 1056,8 (4,1) 1552,2 (7:7)

NEW YORK ACTIVE STOCKS

Change
to Glosing on
day
100 164 + 1, Emerson Elec.
100 577, + 1, Culicerp
100 263 + 1, Cammdre, Inil.
100 863 + 11, Tandy
100 444 - 2 Ford Meter ...

Siecks Clesing on iraded phose day
Emergen Elec. 576,100 44%, +1%, Culicerp 525,300 25% + 7%, Cammdre, Inil. 510,000 33 -4%, Tandy 472,000 27% - 1%, Ford Meter ... 467,500 23% + ½

51ocks Glosing 1raded once 1,216,600 16½ 1,104,100 57½ 657,700 26½ 626,800 86½ 586,300 44½

Ade 151 154	BG. Tee. 71s 76s a Pet 10 12 1 15s a Pet 10 12 1	Dimark	Schlumberger 37 ls SCM 21 ls Scott Peper 15 seazon 466a 36 ls Seazaram 466a 37 ls Seazaram 277 ls Seazaram 277 ls Seazaram 277 ls Seazaram 277 ls Seazaram 28 ls Seazara	104 per ceot yester 177 178 188 199 190
Aug 2 July July 22 28 27 90 High Low High Low e industr'is \$22,11 886,69 812.21 811,85 922,77 825.44 882.52 758.92 1881,70 41,02 (41) N'me 8nds. 59.95 52.75 09.02 59.83 52.77 00.85 60.27 127.51 111/11/01 (21/82) Transpert. \$314,45 308,75 300,09 8 08.00 311,08 315.07 888,45 21.21 12.21 Utilities	AUSTRALIA AII O rd. 17/180) Metal & Minia. [1:1/8 AUSTRIA Grodit Aktien (2/1/62 BELGIUM Belgian OE (81/12/65) DENMARK Capenhagen OE (111)	0) 475.8 458.4 400.0 405.2 501.8 544.0 508.6 205.8) 49.14 49.18 48.28 40.55 85.02 04.27 95.31 85.82 76) 111.80 111.28 117.49 111.21	High Löw 886,5 [411] 448,2 (8/7) 420,1 (6/1) 283,0 (8/7) 00.86 (4/1) 40.00 (28/6) 182,45 (6/4) 39,42 (20/1) 125,22 (25/2) 109,8 [12/7)	Rood Slanha
STAHOARD AHD POORS	Ind Tendance (51/12/ GERMANY FAZ-Akben (51/12/56) Commerchank(Dec 1 HDLLANO ANP-CBS Deneral (187 ANP-CBS Indust (187) HONO KOHG Hang Seng Bank(51/2)	911 : 111.0 : 110.2 110.1 : 110.4 95.5 : 228.04 : 225.22 : 220.32 : 220.74 95.5 : 630.9 : 634.8 : 639.7 : 640.8 97.0 : 84.0 : 85.5 : 80.8 : 55.8 97.0 : 64.0 : 67.0 : 67.0 : 67.4 97.0 : 170.55 : 100.15 184.80 : 158.45 : 0 97.0 : 170.55 : 100.15 184.80 : 158.45 : 0 97.0 : 170.55 : 100.15 184.80 : 158.45 : 0 97.0 : 170.55 : 100.15 184.80 : 158.45 : 0 97.0 : 170.55 : 100.15 184.80 : 158.45 : 0 97.0 : 170.55 : 100.15 184.80 : 158.45 : 0 97.0 : 170.55 : 170.15	124.8 (1215) 97.7 (411) 250.45 (5/4) 218.65 (18/1) 729.8 (5/4) 589.5 (28/7) 86.8 (18/6) 84.0 (8/1) 74.0 (10/6) 85.2 (4/1) 445.02 (12/1) 1129.65 (9/6) 12.50 (15/6) 147.25 (22/7) 828.55 (27/1) 5889.55 (17/5)	AUSTRIA Aug. 5 Price + e Creditanstalt
HY, S.E. ALL COMMON	Tokyo Hew SE (4)168) NDRWAY Oslo SE (1)172) SIHGAPORE Straits Times (1988) SOUTH AFRICA Cold (1988) Industriel (1888) SPAIH Madrid 2E (58/12/81) SWEDEN	118.09 118.60 118.6 116.12 648.05 565.52 670.28 676.38 101 482.8 428.5 411.8 101 566.0 561.5 553.2	888.29 (27;1) 829.28 (8/7) 180.89 (25/1) 180.12 (1/41 810.76 (8/1) 548.03 (3/5)	Veitscher Mag 186 -1 BELGIUM/LUXEMBOURG Aug. 3 Price + el Frz.

SWITZERLAND Swies Bank Con.(\$1/12/66) 246,0 | 248,8 | 244,8 | 242,5 |

Base values of all indices are 100 except Australis All Drdinery and Metals-500. HYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the tenant based on 1975, if Excluding bonds. \$400 industrials. \$40 industrials olds 40 Utilities. 40 Financials ead 20 Transports. 2 Classe u Unavaliable.

v index up 5 more at 1pm

interest rates. nes Industrial

dvanced 13.51 was ahead 5.04 v 1 pm. The n Index added 0. while gains an oight-10-fivo volume m sheres from (2) of 35.57m.

ks have now me rate 10 15 1he Federal vernight lnans ll to as low as rday morning ose of 11 per

isitive groups Book stocks P. Morgan put Continental Electric & to

> Warner Com irading ex-

Canada

After Monday's holiday closore, the Toronto market picked UP sharply yesterday. morning, bolstered by the lower U.S. interest rates. The Torooto Composite Index rose 18.5 to 1,430.4 at ocon, while Oil and Gas-advanced 42.4 to 2,433.3, Golds 23.1 to 1,801.8 and Metals and Minerals 34.5 to 1,344.3.

Tokyo

The sharp recovery on Wall Street overnight amid doclining U.S. interest rates prompted fresh oarly buying of Japanose Blue Chips. However, investors soon, turned to profit-taking, and slock prices made a mixed showing on belong.

ing on balance.
Sentiment was overshadowed sentiment was overshadowed by the failure of the Yen to responds significantly to the lower U.S. interest rates, and also by continuing uncertainty over the prospects for a recovery to the U.S. ocenomy. A trader said Japanese luvestors grew nervous when expected foreign orders of Blue Chips failed in materialise.

materialise.

The Nikkei-Dow Jones Average ended just 5.12 up et 7,213.41, after rising 22 points more at the ouiset. Valume was a modest 200m shares but exceeded Mooday's 150m day's 150m.
Some Electronics issues also

Some Electronics issues also hit selling pressure as a result of anxiety over the possibility that more bad nows could emerge when Hitachi comes to trial in the U.S. at the oud of August on charges of stealing IBM secrets. However. Hitachi hardened Y2 to \$46 after day. The FTC Gulf Oil's nrn-f Cities. Gelf Cities. Gelf Atrader said investors were buy-

A trader said investors were buy-ing Pharmacouticals because prices were low compared to

Il Street lended round in active sterday, extend-harp rally, as led to respond inlerest rates.

THE AMERICAN SE Market scheduled for this summer. The mood was subsequently harp rally, as led to respond interest rates.

THE AMERICAN SE Market spats of conforences oo capter fessionels began trimming back scheduled for this summer. Their holdings. The mood was subsequently below to Y1.430, Takoda Y21 to Y1.430, Takoda Y21 to Y831 and Asahi Chemical Y8 to Y831 and Asahi Chemical Y8 to Industrial production.

The Hong-Seng Index picked up nine points to the first hoor of trading, but then plummeted. It was down a pet 29 points by mid-session and finished 35.47 weaker on the day at 1.147.28, its lowest level since October 13 last year.

Combined turnover on the day at 1.147.28, its lowest level since exchanges, however, was moderate, totalling HKS201.1m shares against last Friday's HK\$251.4m.

Hang Seng Book shares, which are beavily weighted in the index, dropped HKS6.50 to HKS70, resuming a fell which commenced early lest week. It was rumoured last week that the fall was due to as yet unreported foreign exchange losses. Most analysts soid, however, that they thought such losses unlikely. Hang Seng Benk is known as being very conservative sod is not thought 10 have hed a large foreign exchange exposure.

Australia

Markets staged a good rally in nice of the busiest sessions so far lins year. Traders, returning encouraged by Wall Street's solid Minday performance and whord weekend, said they were encouraged by stronger overnight metal prices.

The markol Heavyweights were keenly sought hy both local and neversees investors. Traders soid prospects. The markol Heavyweights were keenly sought hy both local and neversees investors. Traders soid they were encouraged by Wall Street's solid Minday performance and history solid Minday performance and neversees investors. Traders soid process. The markol Heavyweights were keenly sought hy both local and neversees investors. Traders soid process. The Markol Minday performance and neversees investors. Traders soid process. The Markol Minday performance and neversees investors. Traders soid by stronger overnight metal by into the holiday-lengtheout the holiday-le foreign exchange exposure.

Germany

Cities. Geif
ing Pharmacouticals because
prices were low compared to outsel in response to Wall
for North
of swelleble market also expects the comMondey. However, must gaine
lition.

A trader said investors were buying Pharmacouticals because
Shares advanced afresh at the
outsel in response to Wall
Street's sharply bigher close on
Mondey. However, must gaine
were partially eroded later when

Higher Bollion prices triggered demand for Non-ferrous Molal shares. Sumitomo Metal Mining put oo Y40 to Y950 and Mitsul Mining and Smelting Y6 to Y293.

Industrial production.

The downtorn was also blamed on creeping doubt that interest rates can keep softening in the face of high government debt financing needs both in the U.S.

Mining and Smelting Y6 to Y293.

Hong Kong

Persisting worries over Hong Kong's political future, a weaker Hong Kong dollar end a fresh bout of cooceotrated selling in Hang Seng Bank shares caused the market to turn sharply lower after an initial improvemon.

Wall Street's strong rally overnight was responsible for the firmer Hong Kong market eponing yesterday after heing closed on Monday for a local holiday. The Heng-Seng Index picked up nine points in the first honr of trading, but then plummeted.

Markets staged a good rally in the U.S. and West Germany.

The Commerzbank index which is hased on price levels of which is hased on price levels which is hased on price levels

Australian issues.

The All Ordinaries indexpicked up S.4 to 476.8, Metals and Minerals 16.6 to 361.5 and Oil and Gas 13.2 to 421.1.

BHP climbed 24 cents in AS7.20 and CSR 15 cents to AS2.90, while among Minings in Mining moved ahead 26 cents to AS3.00, Western Mining 25 cents to AS3.25, CRA 15 cents to AS3.25, CRA 15 cents to AS3.30 and Boogainvillo 12 cents to AS1.32.

for this edition.	panies 10 addoug	ice new anti-	were partia	illy-eroded later when	to As	51.32.	.0 10 00
CANADA	BELGIUM (continued)	HOLLAND		AUSTRALIA		JAPAN (continu	rice' +
Stock July July	Aug. 5 Orice + el	Aug. 3	Price + er	7-01		Aug. 3	Yen -
AMCA Inti	Petrofina 4,490 +25 Royals 8olge 5,070: Soc. Cen. 8ano 2,405: Soc Gen Belgo 1,184 +28 Solina 5,350; +33 Solvay 1,980 +65 Trastien Elect 9,020 +25 UCS 2,080 VielleMon1 2,760; +80	ACF HeldingAhel dAKZOAKZ	85.8 +0.3 25.0 +0.5 270.5 +1 83.8 +1.8 42.9 +0.7 152 +1 41 +2 53.2 +0.9	Assoc, Pulo Pao 1.45 Audimco	-0.02 -0.81 -0.05 +0.85 +0.87	Kumuosi Kyoto Ceramic . 3, Lien	350
Beil Canada	DENIMARK Aug. 3 Price + or Andelsbanken	Elsevier HDU Ennia Euro Comm Tat. Gist, Brocades. Helneken Hoogovens Hunter Douglas. Int Muller KLM Naarden Hat Hed cert	74.5 77.0 64.9 14.5 14.5 18.6 18.0 18.0 18.0 18.0 18.0 18.6	Bond Hidgs	+0.05 +0.12 +0.18 +0.24 +0.25 +0.15 +0.05	M*bishl Bank	500 486
Can Packers	Cookandelsbank 126	Hed Mid Bank	103.0 107 +9.8 118.5 +0.3 22.0 +0.3 38.5 24.0 +0.3 34 +1.5 199.5 +1.1	Do. Dots 0.12 Cockburn Comt. 1,28 Coles [CJ.]. 2.12 Comalco 1.90 Costain. 1.40 Dunleo 0.99 Elder-Smith C.M. 2,90	+0.05 +0.05 +0.01 +0.05	Hippon Oli	560 -2 577 +0 760 +1 132 +1 247 +1 910 +1 140 +5 128
Cominco	Hevo Ind	Rollneo	120.8 +0.8 157 +0.6 857 +1.1 79.0 +1.5 191.0 151 -1 100.5 -5.3 48.4 53 -0.5	Gen. Prep. Trust 1,58 Hartogen Energy 1,90 Hookar	-0.16 -0.81 -0.81	Homira	49
Falcen Mekel 4239 4078 Genstar	Fra.	ITALY Aug. 5	59.5 -2	Meridian OII. 0.15 Mendarch Pet	+0.81 +0.03 -0.05	Sharo	75 - 46 300 - 56 400 - 56 400 - 3 729 - 45 729 - 45 31 - 45
Hudson Bay Mng 1414 1434 Hudson's Bay 1756 1756 Husky Oil 514 014 1434 1334 13	Emorunt 7g 1978 5,800! +50 CNE 82 450 5,212 +9 Air Liguide	Assicur Gen	Lire 156,5001500 52,050 +850 901714 9,779 +879 6,470 +120 1,640 +05 54344,58	Pieneor Co	+0.02	TDK 4,1 Teijin 2 Teijkoku Dil 9 Tokle Marine 4 TBS 4,1 Tekyo Elect.Pwr 8 Tekyo Gas 1 Tokye Sanyo 4 Tokyo Sanyo 3	70 -60 11 -1 19 +26 25 -5 25 -5 38 -7 08 -7 05 -2
Mac Bloedel	Sub Mediter	Montedison	2,490 +80 2,498 +186 1,310 -02 590 +40 18,400 +400 0,509 +189	Thos. Natwide 1.60 Tooth	+0.25 Y		05 - 4 42 -3 10 +13 00 +6 13 +9 25 -2
Nthn, Telacom 441g 441g	motal	NORWAY				SINGAPORE	
Oacilic Cooper 1.20 1.20	. Dreal	Aug. 3	Price + er	Aug. 5 Origg!		loustead Ohd. 1.5	4 -0.8
	crnod Ricard 370	Bergans Bank Borregaard Creditbank Elkem Kosmes	107 190 43,3 +0,5	Coame Oree, 1,70	-0.4 F	6id Oters (c	00.0 -0.1 50.0
Royel Bank 903a 203e R Reyal Trusce A 12 12 12 12 12 12 12 12 12 12 12 12 12	108.2	Nersk Hydro Storebrond	278 -7 175 -2	HK Telechene 30,25 Hutchison Wpa 10,0 Jardine Math 10,8	-0.05 M -0.15 O -0.15 St	Jalay Banking	5 50.05 70.07 20.18
Tack 8	eleo 173 +1		Price + ér	O'seas Trust 8k. 8.0	-0.18 Si -0.3 -0.20 -0.1 -0.05 -0.15 Ai	Rand bercom 2.0 E & CI 0	7
Westen IGeol 20 ; 99		riceson	70	IAPAN Aug. 3 . Price 4	Ar Ba	nglo Am Gold 78 nglo Am Preo 2.0 Briew Rand 8	5 -0.5
B	Henz Vers. 447	agersta 1 ertie (Free) 1 le och Dom 1 aab - Scana 1	157 -1 160 -1 104 -1 140 +8	Alinemoto 813 — Amada 490 4 Asahi Glass 467 4 Sridgestone 432	8 De 3 Or 4	Beers. 5.7	0 +0,03 5 +0,25
Aug. 5 Price + er	ww	kan Enskilds 8	93 +3 0 11 +1	778 +	1 His a Hu 4 Kid	ghveld Steel. 4,5	-0.3
reditanstalt 210 -1 Da nderbenk 100 0e erimoser 270 -1 De	imior Benz	ven Handelsbn. 1 wedish Match. 1	18 +2 0	Jal Nippon Ptg. 820 + Jalwa House 595 + Jaiwa Selko 381	4 OK 5 Pro Rei	(Bazaars 17.2 elea Hidgs 2.3 mbrandt 10.5	÷0.1
teyr Dolmier 144 Oc eltscher Mao 186 -1 Ou	sohe Babcoek. 178.3' +1.0	WITZERLAND	P	Uji Bank 500 1,430 1 1	Sag SA 10 Tig	810nburo 3,5 gc Nido. 2,5 8rews 4,8 ger Oats 18,5	00.8
Ha	pag Lieyd 55	Aug. 3 Pr	ice + 01 H	reen Cross1,990 + (asegawa485 elwe Real Est539	40 Uni	nec 3,5 Dancial Rand US	\$80.751
Hei Hei Kei ELGIUM/LUXEMBOURG Ker	1 und Salz 154 +5 Ci	usulsso own Boveri bs-Geigy 1.	440 ÷8 H 855 ±5 H	B79 +	BR	(Discount of 14 IAZR Aug. 3 Price	(項) • + er
Aug. 3 Price i + er Kie	0 184 -1 Electron 52.5 +0.2 Fig.	'Odit Suisse 1	070 +55 1b 260 +10 1b	270 270 370 370 370 370 370 370 370 370 370 3	Ace	Cruz Peita 1.73 Ico Brasil 13.65	
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9- Inne 2 550' +3 Per	sin West Elect; 171,8 -0,7 Sa	raill	000	6kuyo		Turnover: Ci. 1,938 Volume: 199.2m. ource. Rie de Janciro	}m
veert 1,780 +30 Sler boken 3,250 +20 Thy crcem 1,578 +12 Ver edietbank 4,210 -100 Veb n Hidgs 5,060 Ver	ering 280 , -1.5 8w man 221.7 +0.7 8w ssen 82.3 -0.7 8w ta 140 +5 3w alp-West 272 + 1 47/3 cowagen 147.3 +0.1 Zu	iss Volksbk 1,0 lon Bank E,6 nterthur 2,0	800, ±60 015, ±10 800; ±30 175; ±25 \$50; ±25	NOTES Prices on this dividual exchanges and a spended, at Ex dividand.	Fege Fe lest	are as quoted of traded prices, \$0 scrip issue, we for	m the eglings rights.



Gilts up again and equities follow on expectations of further cut in base rates—Index up 8.0 at 566.2

Account Dealing Dates

*First Declara- Last Account Dealings tions Dealings Day July 19 July 29 July 30 Aug 9 Ang 2 Aug 12 Ang 13 Ang 23 Aug 16 Sept 2 Sept 3 Sept 13 "New-time" dealings may take place from 9.30 am two business days

London stock markets became increasingly confident yesterday that yet another cut in base lending rates was in the offing. Giltedged securities put on another good performance and equity markets made a more positive revival after the previous day's tion in mortgage rates encourlacklustre performance. Continuing demand for Gilts

enabled the suthorities to make sales of the remaining taplet, Sales of the remaining taplet, Exchequer. 12 per cent 1986, at 9614 and the price eventually settled 4 higher at 961. Elsewhere, both medium and longdated stocks established fresh gains ranging to and occasion-ally more, while short-dated issues ended a shade below the best but with gains ranging to . Exceptionally, low coupon stocks were a 1 higher in places. The 3.30 pm announcement of rise of 13 to 406p on boying fresh funding by way of a further ahead of tomorrow's half-year 500m tranche of Treasury 12 results, while Lloyds added 7 at per cent 1987 had little impact 400p and Midland retrieved a in the late dealings, but tended to cool earlier enthuslasms and stocks within the vicinity of the new tranche were lowered. Reflecting the fresh advance, the Government Securities index rose more to 73.06, which is 18 per cent up on its 1982 low recorded in early January.

The good overnight performance on Well Street encouraged dealers to open leading. London shares higher and occasional ing at the higher levels. There was not a great deal of force behind the buying, but a rise of 7.2 in the FT 30-share index was extended to 8.3 two hours later. Thereafter, quotations beld steady and the index settled with a net rise of 8 points at 566.2. Of the sectors, further good ful gains, which took the sector index to an all-time high, while the prospect of an early reducissues. Among the individual features, Johnson Group were an erratic market and touched 250p before closing a net 16 up at 278p peoding further developments in the hid situation.

Barclays better

FINANCIAL TIMES STOCK INDICES

Equity turnover £m. - 110.19 142,97 129.70; 100.10 115.93 89.78

> 10 am 565.4. 11 em 565.9. Noon 566.3. 1 pm 566.3. 2 pm 566.2. 3 pm 566.5.

> > Latest Index 01-246 8026,

Since Compilat'n

High | Low | High | Low

Gold Mines 12/9/56. SE Activity 1974.

HIGHS AND LOWS

Besis 100 Govt. Secs. 18/10/26. Fixed Int. 1928. Industrial 1/7/35.

73.00 72.79 72.34 72.23 72.39 78.34

73,22 73,92 75.11 73.00 73.11 73.01 65.78

366.2 068.2 556.5 506.4 561.9 561.5 328.9

- 11,938, 12,630 12,158, 11,070, 13,275, 10,731

A friendless market since last Friday's disappointing interim figures from Midland, the major clearing banks perked up considerably in line with the geoeral trend. Barciays stood out with a similar amount at 320p. NatWest firmed 4 to 430p. Irish issues found support with Allied Irish up 6 st 94p and Bank of Ireland 15 to the good at 250p. Discount Houses mirrored the performonce of gilts, rising smartly on lower interest rate bopes. Union advanced 12 to 477p and Cater



Allen rose 10 to 340p as did Gerrard and National, to 295p, and Seccombe Marshall and Cam-pion, to 225p. Cheaper money pion, to 225p. Cheaper money hopes also helped Hire Purchases and Provident Financial improved 4 to 133p. By way of contrast, Far-Eastern advices clipped 4 from Hong Kong and Shanghai st 93p; the interim figures are scheduled for August 24.

Inter-Europe Technology, which staged a bright debut in the Unlisted Securities Market on Monday, attracted further on Monday, attracted introduced attention and touched 172p hefore closing a net 5 up at 168p compared with the placing price of 110p. Receotly-issued Multitone met revived support and put on 7 to 9 neak of 1710.

Sessonal demand coupled with talk that the prolooged shamp in beer production may be nearing its end prompted some useful rises smoog Brewerles.
Allied-Lyons added 3 more to 116p, as did Arthur Guinness, to 91p. Grand Metropolitan, 254p, and Bass, 237p, advanced 6 and 5 respectively, while Whithread, additionally buoyed by acquisition news, closed 4 dearer at 122p. Enthusiasm spilled over regional counters with Greenall Whitley outstanding at to 370p, while Mansfield and barder at 576p, Unitech advanced Vaux gained 5 to 413p and 167p respectively. Elsewhere, cider manufacturers remained to the fore reflecting increased sales. Issue. Acquisition details helmed barder at 576p, Unitech advanced vaux gained 5 to 413p and 167p respectively. Elsewhere, cider ponse to the satisfactory profits and proposed 100 per ceot scripfore reflecting increased sales. Issue. Acquisition details helmed published the satisfactory profits and proposed 100 per ceot scripfore closing only a penny to 370p, while the satisfactory profits and proposed 100 per ceot scripfore closing only a penny to 370p, while the satisfactory profits and proposed 100 per ceot scripfore closing only a penny to 370p, while Mansfield and barder at 576p, Unitech advanced vaux gained 5 to 413p and 167p penny to 282p, after 292p, in respectively. although rises were exacerbated by stock shortage, H. P. Bulmer closed 30 bigher at 5850, while Merrydown Wine Improved 24 for a two-day jump of 33 to 173p. Still benefitiog from the prospect of cheaper mortgages, buy-

ing activity revived in the Building sector. Barratt Develop- the recently beleasuered Enginments edged up a couple of pence more to a peak of 305p, while George Wimpey added 3 to 114p. Fairclough Construction put on 4 for a two-day gain of 8 to 173p. £104m to the Siberia-West Elsewhere, Blue Circle rose 7 to Europe gas pipelice boosted the 492p and BPB 8 to 455p, while Ready Mixed Concrete firmed 5 to 263p. Renewed support lifted Redland 6 to 189p and the new shares the same amount to 182p.
Tarmae gained 8 to a 1982 bigh
of 328p. Against the trend.
Thomas Warrington slipped to a

low for the year of 84p before settling a net penny off at 85p;

the company subsequently announced that a receiver bad been appointed. ICI touched 296p before drifting off to close just 2 dearer on oalsuce at 294p. Other Chemicals

per cent stake in the company, Dealings in Carron were sus-pended at 18p, down a penny; the company subsequently

oalence et 294p. Other Chemicals went with the general trend.

Busioess in Stores picked up considerably and the leaders closed et the day's best, Gussies A rose 10 to 523p, while British Home, 166p, and Burton, 196p, edded 4 and 5 respectively.

An initial mark-up followed by some good buying in a thin market gove the Electrical majors a good start. Nevertheless, hest levels were not held and Thora EMI, which touched 438p, closed only 3 better on balance at 430p following the chairman's AGM statement, Plessey recovered to 525p after the previous day's declice of 11 lo sympathy with Standard Telephones and Cables' disappointing figures. finished at the overnight level of 515p; STC, down 66 on Monday, rebounded to 587p following comment oo the balf-year re-sults before closing only a penny Dubilier to gain 3 to S9p, while Druck, dealt lo the Unlisted Securities Market, advanced 18 to 205p. Renewed speculative support lifted Forward Technology & more arrival at the deal of the support lifted Forward Technology & more arrival at the deal of the specific production of the security of the s logy 4 more, making a two-day jump of 7 to 210.

Firmer cooditions returned to eering leaders. News of the Government's order to John Brown to go shead with its plans to supply gas-turbines worth Europe gas pipelioe boosted the closed a couple of pence cheaper shares which touched 46p before at 392p, Among the secondiners, closing a net 3 up at 44p. Ti recently firm KCA international rallied 4 to 88o ahead of next met profit-taking and gave up 2 Wednesday's interim figures, to 78p, while Sun UK, a thin while GKN picked up 6 at 142p. msrket, lost 10 to 110p, Berkeley Elsewhere, Wagon Industrial Exploration put on 15 to 165p; stood out with a jump of 12 to the shares go ex the one-for-one a 1982 peak of \$4p\$ in response scrip issue on Friday. Else-

annual results. Burgess Products rose 4 to 61p.

Further useful demand was forthcoming for selected Food Retailers. Kwik Save figured prominently, rising 8 to a 1982 pesk of 266p, while Tesco, still responding to favourable Press comment, added 2 more to a 1982 peak of S3p. Cullens A, a cted market of late, put on 14 to 177p following the annual report, but Hillards shed 6 to 168p after comment on the re-

sults. Risewhere, Unlgate put on 3 to 90p and United Biscuits 4 to 129p. Turner & Newall flat

Nervous selling of Turner and Newall continued throughout the session yesterday and into inter-office dealings on mounting concern about the asbestosis-controversy and the shares closed 11 down at a 1982 low of 320; the shares have now nearly belved in value since edverse television publicity on the subject just under two weeks 9go. Elsewhere miscellaneous industrial leaders warmed to the prospect of lower interest rates. Glaxo rose 10 to 740p, after 745p, and Becham firmed 8 to 296p, ofter 298p. Pilkington rallied 9 10 207p and Rank Organisation, helped by Wall Street influences,

put on 8 to 128p: Metal Box, st 150p, after 152p, and Unitever at 625p, rose 6 and 7 respectively. Sold down to 250p initially on Group Cleaners rallied strongly after-bours on buying fuelled by vague talk of an increased offer to finish a net 16 np st 278p.

Fresh demond ahead of next Monday's balf-yearly results lifted Horizon Travel 8 for a two-day gain of 12 to 195p. Elsewhere in the Leisure sector, Trident TV A, 9 dull market recently on the loss of the Playbcy gaming licence, rallied

Among Publishers, Gordon and the increased full-year profits honus dividend payment. British Printing and Communica-tion hardened the turn to 39p; the interim results are due tomorrow.

Buying lo anticipation of further base lending rate cuts helped Properties to make further moderate progress. Land securities and MEPC firming 3 apiece to 285p and 195p respectively. Regional A put oo 4 for a two-day gain of 12 to 154p in response to the good preliminary could be and present and pres

gain of 6 at 270p, but Sbell closed a couple of pence cheaper

where, Global Notural Resources reacted 45 to 710p as bid hopes

هكذامن الديجل

Financials trended bigher. where changed. Stockjobbers
Akroyd and Smithers rose 6 to
a 1982 peak of 238p. NMC held
at 12p following the return to profits and the one-for one rights

In firm Shippings, Reardon Smith continued to respond to speculative support and jumped 11 more to 99p, with the A 7 up at 57p.
Press response to the interim

of Nottingham Manufacturing which, at 187p, recovered 9 of Monday's fall of 14 Elsewhere in firmer Textiles, Courtsulds firmed a couple of pence 10 S3p, while Shaw Carpets hardened 9 like amount to 14p, the letter following the annual report.

Tobaccos featured Bats; a strong market late on Monday following excellent results from the group's Brazilian subsidiary, the batter search before the group's Brazilian subsidiary. the shares opened higher and in a relatively active business rose

20 to 470p.
Plantations lacked support.
Castlefield, 360p. and Kuals
Selangor, 193p, both shed 10;
while Rightwise closed 12 off st

Golds still firm

South African Golds were marked up strongly at the open ing of trading in line with the Sold down to 250p initially on fears that the Sunlight Services hid migbt be referred to the Monopolies Commission, Johnson and then rallied to close with

several good gains.
The metal also recovered to close at \$350.75, up 75 cents and the Gold Mines index gained a further 4.8 to 261.1 for an advance of 30 over the past three

trading days, Hartebeest shone among the heavyweights with a rise of 1; to £223, while Free State Geduld at £123 and President Brand at £15 were both closed about 1 to the good.

In the medium-priced issues, Durban Deep extended its high for the year to 983p with a gain of 41 Libanon were 55 stronger

of 41, Libanon were 55 stronger at 940p, Venterspost 24 better at 409p and ERPM 20 ahead at 448p. Some of the huying interest carried over into the South African Financials, where Amgold caught up with the recent gains scored by the other issues and put on 11 to £341, while Johnnies improved 1 to £53.

apiece to 23Sp and 195p respectively. Regional A put oo 4 for a two-day gain of 12 to 154p in response to the good preliminary results and property revaluation.

Oils mixed

Oils closed with irregular movements as early interest prompted by Wall Street's overnight strength petered out. British Petroleum retained a cain of 6 at 270p, but Shell st 415p after 420p. Gold Fields st 415p, after 420p, Gold Fields a similar amount ahead at 412p,

after 415p, and Charter 2 firmer at 120p, after 192p. Australians were marked up in quiet conditions, with Gold Mines of Kalgoorlie up 15 to 210p, Peko-Wallsend 12 to the good at 258p and Western Mining 11 firmer et 183p.

	٠.	EQUITES						
Renuilo. Dato	1962 High Low	Stock	Closing price	+ or	Divi p. or amount	Times	Gross	بن ا ا
	40 40 221 ₉ 76 20 11 46 40 24 24 68 44 59 02 106 102	Angio-Nordic Sp Antofagasta Hidgsf21 Argyll Foeds Werr'is. Atlants Rez. Int Zeradin Holdings 3p &Bio-Isolates 10p @Dencora &Ecobric New Brd£1	19 40 24 64 55	2 +2	60.89 7.0 — 0.03 — bd10.5	1.3	Ξi	25,
12 17 1	82 150 60 58 93 150 71 153	McCarthy & Stone	69 168 52 190	b	04.11 d1.6 6.73	2.0	3	18.6 11.4 15.2

FOITIFS

FIXED INTEREST STOCKS

1	price	25	enun- dote		22	· Stock	Ciosin prios	+-°
	£	\$ª	380		Low		9	L
	9100 98.55 100 100 23.345 100	F.P. F.P. £22 £23	8/10 	1021g 10047 281g 1011g 1003g 281g 107p	2114 10012 85 2334 9978 0018 2419 2614	New Zealand 14 43 1987. Portsmouth Water 143 Red. Deb. '92. Rotaprint 1112 Cum. Conv. Red. Pref.	921 ₂ 1013 ₆ 1003 ₄ 293 ₄ 231 ₉ 97p	+ 12 + 15 + 35 + 13
١	51R£1 5100	F.P. £10	17/11	82 141 ₀	82 131 ₂	2murit (Jefferson) Pref. Units 2p West Kont Water 25,5 Red. Pref. 87-89	82 141 ₂	+1

"RIGHTS" OFFERS

lssue	m'unt ald up	. Latest Renunc. date	198	82	Stock	anisc ool o	+ or
price P	₹ <u>8</u>		High	Low	- SIOUR	P P	
166 180 170 103 72 93 65 50	NII F.P. F.P.	9/7 6/8 13/6 94/2 0/8 17/9 9/2 17/9 26/7 3/9 30/7 20/8 24/6 13/8 5/7 13/8	905 50pm 130 19pm 84 251 ₂ 91 62 282	47pm 180 14pm 80 24 73 62	Applied Computer Tech	50pm 180 16pm 84 24	

Renunciation date usually last day for dealing free of stamp duty. b Figu Remunciation data sisually last day for desiring free of stamp duty. b Pigures based on prospectus astimate. d Dinidend rare paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. I Indicated dividend: cover relates to previous dividend. P/E ratio based on larget amusi sornings. u Forecast dividend: cover based on previous year's carnings. P Dividends and yield based on prospectus or other official estimates for 1983, Q Gress. T Figures assumed. © Figures or report awarted. ‡ Cover sillows for conversion of shares not now making for dividend or ranking only for restricted conder. [] Offered to holders of ordinary shares as a "rights." ** lesued by way of capitalisation. §§ Reintroduced. *** I issued in connection with reorganization marger or tekin-over. [ii] Introduction. [] I issued to former preference holders. Adjournant lotters (or fully-peid). © Provisional or pertity-peid olforment letters. † With warrants. It Desiring under special Rule. § Unisted Securities Market. ‡‡ London Listing. † Effective Issue prics ofter som, I Formerly deaft in under Rule 153(2)(a). †‡ Unit comprising five ordinary and three Cap, shares. § Issued free as an entitlement to ordinary holders,

ACTIVE STOCKS

Above everage activity was noted in the following stocks yesterdo

tiock T Inds	305 237 270 254	Day's change +20 + 2 + 5 + 6 + 10	Stock Intereuropo Tech Johnson Cleaners KwakSave RTZ Turner & Newall Unitsch	Closing price pence 168 278 266 415 32 282	Oay's change + 5 + 16 + 8 + 7 - 11 + 12
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MONDAY'S ACTIVE STOCKS

Stock changes
Inteurope Toch 32
Std Tel Cobles 20
Plassey 14
Johnson Clin's 13
Bio-leolates 12

FT-ACTUARIES SHARE INDICES

S.E. ACTIVITY

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS		Tues	Aug 3	1982	2	Mon Aug 2	Fri July 30	Thair July 29	Wed July 28	Year ago (approx.
Flg	& SUB-SECTIONS ures in parentheses show number of stocks per section	index No.	Ony's Change	Est. Earnings Vield % (Max.)	Gross Div. Yield % (ACT at 30%)	(Net)	index No.:	index No.	Index No.	ladex No.	Index No.
-1	CAPITAL GOODS (209)	405.11		9.42	415 531	13.27 10.45	401.82 339.35	404.17 337.42	486.07 337.43	409.52 339.72	
2	Butiding Materials (231	346.95		11.91	4.94	8.60	615.63	632.22	608.63	1	
3	Contracting, Construction (28)	624.51 1597.35	+14	6.79	2.03	18.96	1595.31	1620.52			
4	Electricals (31)	475.61		13.97	6.36	8.64	471.54	672.19	471.50	474.28	
5	Engineering Contractors (11)	197.94		nø	5.95	10.38	195.35	195.15	196.25	197.80	280,22
6	Mechanical Engineering (67)	147.67	+18	12.72	821	9.74	345.00	144.55	145.98	1A7.68	151.19
8	Metals and Metal Forming (11)	81.49	+0.8	3.02	8.63		80.84	8L14	SLOT	82.66	97,44
9	Motors (20)	351.25		10.55	6.08	11.60	349.42	348,73	349.64	356,23	
Ō	CONSUMER GROUP (202)	324.90	+1.7	12.27	5.36	9.87	319.32	318:00	318 10	320,67	278,26
3	Brewers and Distillers (22)	356.29	+24	13.35	5.84	9.10	348.07	342.42	339.53		
2	Food Manufacturing (22)	279.00	+1.2	16.19	6.49	7.22	276.44	275.72	276.64	279.34	257.90
2	Food Retailing (14)	680.56	+0.9	8.64	3.30	14.22	674.65	671.54	670.27	674.52	
7	Health and Household Products (9)	499.72	+1.9	6.85	3.39	17.24	490.18	423.27	489,94	492.76	336.37
é	1 Alexand (233)	418.72	+1.2	10.27	5.68	12.27	41AM	433.94	413.99	433.74	443.17 434.29
ź	Name of Publishing (13)	525.08	+1.1	11.72	5.94	10.74	519.30	510.37	51191	511.47 149.34	145.31
3	Packaging and Paper (14)	142.48	+1.4	16.91	7.79	6.87	140.49	139.98 288.13	139.97	292.62	252 15
4	Stores (45)	291.99	+16	9.96	4.78	13.33	297.48 145.26	166.77	166.49	166.83	155.01
5	Textiles (23)	169.17	+24	13.60	6.33 7.97	4.84	335.46	333.58	332.78	335.05	263 32
6	Tobaccos (3)	347.26	+3.2	23.06 6.56	5.91	30.36	262.35	264.71	265.75	269.83	287.90
9	Other Consumer (14)	263.84	+0.6	14.06	6.58	8.59	253.18	253.08	25441	257.38	226.86
L	GTHER GROUPS (76)	255.07 332.81	+1.1	14.86	7.18	8.00	330.41	330.06	332.42	337.46	281.44
2	Chemicals (15)		+43	17.33	9.36	7.09	89.99	90.79	93.22	94.82	189.46
	Office Equipment (4)	93,94		18.12	7.04	6.72	575.75	570.90	571.15	576.89	546.62
5 .	Shipping and Transport (13)	588.68	+8.9	1178	5.57	10.39	336.52	336.99	337.76	340.32	299.70
5	Miscellaneous (44)	340.67	+1.2		5.06	10.70	338.64	338.98	338.96	30.89	295.35
,	MOUSTRIAL GROUP (487)	342.51	+1.3	11.42					656.79	666.14	74126
	Oils (13)	666.68	+0.9	23.79	8.73	4.76	660.50	.666,18			330.41
ī	500 SHARE INDEX	369 11	+13	13.20	5.59	9.07	34.50	364.50	365.85	362,49	
í	FINANCIAL GROUP (117)	252.61	+10		6.77		250.65	250.79	252.99	253.32	266.61
	Lifetige and the second	273.60	+2.1	38.67	8.46	288	247.89	273.04	276,78	276.77	272.93
1	Barris(6) Discount Houses (9)	254.08	+25		9.19	- 1	247.80	250.03	252.26	252.26	257.73
ı	Linuance (Life) (9)	270.32	+0.6	_	6.76		2876	268.20	268.91	269.49	270.61
ı	Ingurance (Composite) (ID)	160.54	+0.4	- 1	8.82		159.97	160.03	159.36	161.60	177.72
	Sparrance Brokers (7)	515.91	+0.7	10.92	5.03	12.54	512.26	51174	530.68	511.52	405.16 169.68
	Merchant Banks (12)	138.79	-0.2.	· !	6.39	-	139,01	140.09	140.59	140.18	
	Property (47)	425.89	+1.0	5.43	3.80	24.41	421.81	412.77	418.71	423.49	480.40
1	Other Flamciel (15)	171.00	+6.9	18.04	6.79	6.39	169.41	169.23	170.60	172.28	161.84
4	Unter Flashon (12)	297.67	+1.0	1	552	- 1	294.62	29L73	294.91	297.27	312.32
	forestment Trests (1)1)	207.52	+1.7	15.24	6.84	8.22	204.12	199.11	199,11	201.19	264.39
ı	Mining Finance (4)	366.63	T	14.01	8.74	8.77	366.49	368.05	. 949.26	371.49	421.73
J	Overseas Traders (18)			-	5.85		333,67	333.89	334.56	337.45	318,74
Ţ	ALLENANE HISEX (750)	337.67	+1.2	- 1	3.00						
÷									T		V
_				. 1	AVERA	GE GRO	SS · ·		Tues	Mon	Year ago
	FIXED INTERES	_				PTION '	With the		ALK I	PHILIP !	-

FIXED INTEREST							REDEMPTION YIELDS	3	Aug 2	(approx.)
MRICES	Tues Aug 3	Day's charge %	Mod Aug 2	nd ndj. today	nd adi. 1962 to date	1 2 3	Los 5 years	9.70 11.93 12.63	9.83 11.95 12.08	12.89 13.58 13.51
2 535 part. 3 8eg 15 part.	134.11 114.16 122.44	+0.30 +0.44 +0.36	115.77 117.58 121.98	~ -	6.92 8.50 7.81	4 5 6 7 8 9	25 years	12.23 12.85 12.44 12.34 12.99 12.62	12.33 12.99 12.49 12.44 13.66 12.66	14.98 15.45 14.98 14.94 15.63 15.29
4 Insular arbits	125.61 112.54	+0.50	124.98 113.09		7.37	9 11 12	Debs & Laura 5 years	13.67 13.81	13.79 13.88	13.10 15.99 15.97
6 Debuters & Learn	95.70	+8.42	92.80	-	6.69	13		13.62	13.95	16.05

OPTIONS

Last Last For Deal Declara Settle ings ings tion ment July 26 Aug 6 Oct 28 Nov 8 Ang 9 Ang 20 Nov 11 Nov 22 Aug 23 Sept 3 Nov 25 Dec 6 Stocks favoured for the call Included Cariton Real Estates, William Leech, Mitel, Bio-Isolates, Johnson Group Cleaners, Glynwed, Elack and Edgington, Lonrho, KCA Drilling, Johnson and Firth Brown, Marks and Spencer, Chloride, Tesco, Britannia Arrow and Sound Diffusion. Puts were completed in Caravans International and Jardine Matheson, while doubles were taken out in Lourho and Black and Edg-

NEW HIGHS AND LOWS FOR 1982

LOWS FOR 1982

NEW HIGHS (140)

BERTISH FUNDS (6S)

INT. SR. & O'SEAS GOVT. STLG. ISS. (5)

CORPORATION LOANS (171)

COM'WEALTN & AFRICAN LOANS (2)

LOANS (10)

BANKS (1)

CERES (7)

BUILDINGS (S)

CHEMICALS (1)

DRAPERY & STORES (2)

ELECTRICALS (0)

ENGINEERING (1)

FOOLIS (3)

HOTELS (11

INDUSTRIES (21)

LAPPER (2)

ENEMBER (2)

NEW LOWS (42)
AMERICANS 151
Cm. Prel. Ingersoil-Ra
Palmolive Saul (8 FJ Carron STORES (4)
Adictione Helene of London
Camors A Ladies Pride
Astre Inductrial Rotroson (T.)
POODS (1)

Young (H.)

TRUSTS (2 RSEAS TRADERS (2)

RISES AND FALLS YESTERDAY

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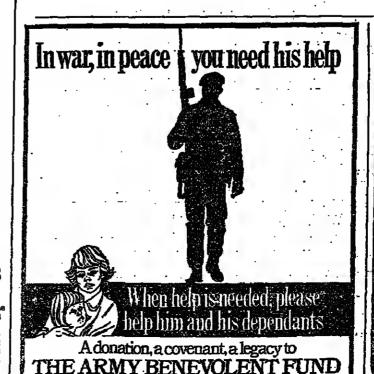
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A FRENCH

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The annual report on 1981 (with Chairman's address on June 15, 1982) can be obtained in English version on request from IMETAL - D.R.E. Tour Montpamasse

75755 PARIS CEDEX 15 - FRANCE

Dollar nervous

firmer after a sharp fall similar to the ane exparienced recantly and the temptation to cover short positions was ont resisted by everynne yesterday and this accounted partly for the dollar's SwFr 3.6200. It was slightly down recovery from lows touched recovery from lows touched against the French franc at Jacob and Schooling only small chaoges FFr 11.8700 compared with Schooling only small chaoges FFr 11.8825. against major currencies with DMARK — EMS member the lunger term trend taodiog to (weakest). Trade weighted index suggest further cuts in interest. 125.8 against 125.5 on Monday and rates and a softer dollar. While the dollar may stabilise, interest rates wera likaly tn fall according ta recent comments by Mr Beryl Sprinkel, U.S. Treasury under Sacratary far manetary affairs, who indicated prime ratas of 8 per cent by the year end if inflation is kapl to 5 par

Starling maintained its racent firm trend despile further falls in domestic interest rates. Its index was virtually unchanged from six months ago even though base rates have fallen some 23 points since then.

DOLLAR — Trade weighted index (Bank of England) unchanged at 119.9 from Monday and 111.4 six months ago. Three-points ago. and 111.4 six months agn. Three-month Treasury bills 9.60 per cent (13.70 per cent six months ago). Amoust inflation rate 7.1 per cent (6.7 per cent previous month) — The dellar closed at DM 2.4390 against the D-mark up from a low of DM 2.4175 and Monday's close of DM 2.4350. Similarly against the Swiss franc it finished at SwFr.2.0725 from SwFr.2.0660 and Y257.80 frrm Y256.5.

STERLING — Trade weighted index unchanged all day and

index unchanged all day and from Monday at 91.7 (91.8 six months ago). Three-month inter-bank 11; per cent (14; per cent six months aro). Annual inflation
9.2 per cent (9.5 per cent at FFr 11.8560 from FFr 11.8480 previous month) --- Sterling as was the Swiss (ranc at opened at \$1.7580 against the dollar and rose to a best level FFr 3.2732,

The dullar tradad nervously of \$1.7600 during the marning yasterdey on the market tried to balare coming beek to \$1.7550 assess short tarm U.S. toterest rete trends. In the past the dullar has been known to move firmer after a clean fall similar tradad nervously of \$1.7600 during the marning balar recovery by the dollar pushed sterling to a low of \$1.7400 balars clean at \$1.7400.

115.6 six months ago. Three-month interbank 9.20 per cent (10.25 per cent six months ago). Annual inflation 5.7 per cent (5.8 per cent previous month)—The D-mark was hardly changed ovarall at vesterday's fixing in Fraok-furt. The dollar fell ta DM 2.4247 (rom DM 2.4307 with the Bundesbenk selling \$23.4m at the fixing. Starling rasa to DM 4.2580 from DM 4.2580 and the Swiss franc was higher at DM 1.1788 campared with DM 1.1733. On tha other hand the Belgian franc thought to DM 5.24 nor BFT 100 slipped to DM S.24 per BFr 100 from DM 5.2420 and the French franc was Inwer at DM 35.93S per FFr 100 from DM 35.94.

FRENCH FRANC-EMS men her (second s(rongest). Trade weighted index unchanged at 74.3 from Monday and 79.7 six months ago. Three-month interhank ago. Three-month internank
14†2 per cent (15 % per cent six
months ago). Annual inflation
13.5 per cent (13.8 per cent
previous month) --- The French
franc showed mixed chaoges at
yesterday's fixing in Paris, falling against sterling, the Swiss france and the guilder but improving in terms of the dollar and Belgian franc. The D-mark was unchanged et FFr 2.7828 while the dollar slipped in FFr 6.7560 from FFr 6.7590 as Euro-dallar rates

+0.14 -0.47 +1.00 -0.79 +0.91

-0.70 -2.14

-0.62 -2.14

THE POUND SPOT AND FORWARD

Aug 3	Day's epraed	Close	One month	% p.e.	Thrae months	74 p.a.
J.5.	1.7480-1.7600	1.7490-1.7500	0.05c pm-0.05d		0.35-0.45 ds	<u> </u>
Cenada	2.1890-2.1980	2.1900-2.1010	0.78-0.88c dis		2.10-2.20 da	
Merhind	4.69-4.721	4.71 -4.72	1½-1¢ pm		31-21 pm	2.54
Bolg:Um	81.20-81.60	81.30-81.40	13-23c dia		50-80 dis	-2.70
36nmark	14.79-14.84	14.80-14.81	1's 'rora pm		51-67 des	-1.67
teland	1,2350-1,2430	1.2405-1.2415	0.52-0.66p dia		1.63-1.81 ds	
N. Ger	4.25-4.28	4.25 -4.271	14-18f pm		34.2% pm	2.81
ortugal	146,75-148,00	147.00-147.50			235-765 ds	-13.45
DOIN	193.80-194.80	193.90-194.10	90-115c dis		290-380 dis	-0.91
taly	2379-2389	2380-2382	17 ¹ -19 ¹ -1178 dia		521-551, dia	
lorway	11.48-11.51	11.47-11.48	4's-5'sore dix		10-11's dis	-3.58
13nca	11.85-11.89	11.851-11.871-				-5.31
waden	12.59-10.63				151-104 dis	
		12.61-10.62	47 ₈ -Shore dia		111-12 dia	-4.38
apen	447-453	451-452	2.13-1.93y pm		5.00-4.80 pm	
ualria	29.90-30.10	29.95-30.00	10-7gro pm		251-191 pm	
WilZ		3.624-3.631	3-21-c pm		67-63 pm	7.30
	an rate io lo				c 86.60-86.7	
Six	t-month forward	d dollot 1.43.	1.53c dis. 12-m	onth 3.	35-3 45c drs.	

THE DOLLAR SPOT AND FORWARD

Aug 3	Day's apread	Close	One month	% p.s.	Three months	% 0-8
UKf	1.7480-1.7900	1.7490-1.7500	0.05c-pm-0.05dis		0.35-0.45 d	
Itelandt	1,4100-1,4200	1.4110-1.4130	0.72-0.62c pm	5,68	1.72-1.57 p	m 4.5
Censda	1.2480-1.2540	1.2520-1.2530	0.49-0.52c dia	-4.84	0.94-0.98 d	-3.0
Nathind	2.6710-2.6910	2.6870-2,6900	2.75-0.65c pm	3.12	2.38-2.28 p	m 3.4
Balgium	48.20-48.52	48.49-46.51	10-12c dia	-2.84	20-24 dis	-1.8
Genmerk.		8.4550-B.4600	2.45-0.20ore pm	2,46	1.65-2.15 d	-a.s
W. Ger.	2,4175-2,4410	2.4385-2.4395	0.70-0.65pf pm		2.24-2.14 pt	
Portugal	83,60-84,50	84.00-84.33			120-410 da	
Spein	110.45-111.00	110.85-110.95	50-60c dia	-5.96	165-185 dis	-5.3
Itely	1357-1362	13804-13614	10-11line die	-9.26	27-29 dis	-g.z
Norway	2,5285-6,5625	6,5576-6,5625	2.60-3.00om da	-5.13	4,50-4.90 de	-2.5
Frence	6.7350-0.7900	6.7850-0.7900	2.05-2.25cdia	-3.50	7.30-7.70 ds	-0.4
8 weden	6.0310-0.0712	0.0625-6.0955		-0.75	5.40-5.60 ds	-3.6
lepan	250.50-258.00	257.75-257.85	1.15-1.07y pm	5.17	3.40-3.30 pr	n S.2
Austre	17.00-17.116	17.134-17.144	a.40-4.20gra pm	3.36	16.50-13.50	m 3.5
Switz.	2.0476-2.0750	2.0720-2.0730	1.66-1.58c pm	9.38	4.35-4.27 pr	n 0.4.
+ UK	and Ireland el	re quoted in U			a tmumer	
qieco	unte apply lo	the U.S. dolle	r and not to the	ILGIAIG	Oar Corrent	· y .

CURRENCY	MOVE	MENTS	CURRENCY RATES						
Aug. 3	England	Motgan Guaranty Changes	August 3	Bank rato		Currenc Unit4			
Sterling. U.S. doller. Canadian dollar. Austrian schilling. Beiglan franc. Danish kroner. Deutsche mark Ewise franc	91.7	-31.9 +11.2 -19.8 -27.1 -1.4 -14.2 +50.1 +96.6 +23.3	Stetling	11 15,50 64 131 ₂ 11 71 ₀ 8	18,2940 50,8464 9,22861 2,65834 2,94099 7,40701	0.97176 1,31568 19.5661 45.0700 8,20172 2,35896 2,60331			
Fresion franc	74,3 54,9 150,7	-20.3 -68.2 +24.9	Yon	6 10 512	080.005 7.10322 121,269 5.61#34 2.26598	249,841 637,091 107,520			

Bank of England Index (base average "CS/SOR rate for August 2: unavailable.

OTHER CU	RRENCIES
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Aug 3	£	1		Note Relac
Argentina Peso	38,290t		Austrie	29.85-30.10
Australia Dollar	1.7575-1,7595		Belgium	80.20-87.20
Brazil Cruzeiro			Danmark	14.75-14.89
Finland Markka		4,6780-4,6800	France	11.80.11.90
Grapk Drachma.	110,110 121,788	68,45-68.66	Gormany	4.94.4.28
Hone Kone Dollar	10.51.10.6212	e.00-e.03	Italy	2550-2500
IranRial		*84.00	Ja pen	449454
KuwaitIlinerKD	0.505-0.504	0.2825 0.28735	Natharlands	4.68124.7212
Luxembourg Fr.		46.49 40.51	Norway	11.45 11.55
Malaysia Dollar			Portugel	
Now Zeeland Bir.			Sраіл	186-19712
Saudi Arab, Riyal,		3.4395-3,4405		10.57-10.67
Singapora Bollar			Switzerlend	5,6012.3,5412
Sth Atrican Rand			United States	1.7412 1.7612
Stri Autean faire	0.4760 0.4420	E 0716 E 0705	Vuenelavie	96.101
U.A.E. Dirham!	6.4300 6,4420	3,6113-2,0103.	Ladonana	20.102
	يكسون			_
4 B-46 1	A ! !	Ciass	.c.al 62 227	OF 347 AGREET

Changes are for ECU, shosefare positive change denotes a weak currency. Adjustment calculated by Financial Times.

6,20172 2.35896 8.56672 2,60531 a.692701

1321.36

EMS EUROPEAN CURRENCY UNIT RATES

EXCHANGE CROSS RATES

rates

44.9704 6 23400 2,33379 6.61287

2.5797

8 Igian Franc ... Onnich Krone ... German D.Mark French Franc ... Outch Guilder ...

Aug. 3	Pound 5t'rling	U.Ş. Bollar	Doutschem'	к зарапево Уел	FrenchFranc	Swiss Franc	Butch Gulld'	ttallen Ura	Canada Dollar	r Baigian Franc
Pound Sterling U.S. Bollat	0.572	· 1.700	4.270 2.441	451.e . 208.1	11.87 6,785	3,628 2,073	4.720 2,698	9381, 1301,	2.181 1.252	81,35 40,50
Doutschomark	0.234	0,410	9,457	105,7	2.780	0,850	1.105	557.e	0,513	19,05
Japanese Yen 1,000	2,215	3,875		1000,	20,29	8,034	· 10.45	5274,	4,852	180,2
French Franc 10	0.842	1,474	3,597	380,4	10.	3.066	3,876	9006.	1,845	68,53
Swiss Franc	0.276	0,482	1,177	. 124,5	3,272		1,301	656.4	0,604	22,43
Dutch Gulider Italian Lira 1,000	0,21a 0,420	0,371 0,735	0.905	95,66 · 189,6	2.015 4,985	0.7e9 1,524	1,982	504,4 1000.	0.464 0,920	17.04 34.17
Canadian Dollar	0.457	0,789	1,949	206,1	5,419	1.656	2,155	1087.	2,693	37.14
Belgian Franc 100	1,239	2.151	e,249	555,0	14.58	4,459	5.802	8927.		100,

±1.5501 ±1.6430 ±1.0688 ±1.3940 ±1.5004 ±1.6691 ±4.1369

FT LONDON	INTER	BANK F	IXING (11.00 a.	m. AUG	UST 3)				
Canadian Dollar Belgian Franc 100	0.457 1,239	9,789 2.151	1,949 e,249	555.0	14.58	4,459	5.802	8927.	2,693	100,
Committee Dallan	0.457	0.780	1.000	206.1	5,419	1.056	2,155	1087.		37.14
Dutch Gullder Italian Lira 1,000	0,21a 0,420	0.371 0.735	0.905 1,793	95,66 · 189,6	2.615 4,985	0.7e9 1,524	1,982	504,4 1000.	0.464 0,920	17.04 34.17
Swist Franc	0,276	0.482	1.177	380,4 . 124,5	10, 3,272	3,066	3,876 1,301	9006, 656,4	1,845 0,604	68,53 22,43

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Aug. 3	51oriing	U.5. Doltar	Ganadian Dollar	Butch Guildor	Swiss Franc	13-mark	Franch Franc	Italian Ura	Conv.	Frano Fin.	Yon	Danish Krone
8hort term	1173-12 1173-12 1173-1173 1133-1173 1173-1173 1173-1173	1054-11 11-1115 1136 1154 1214-1256 1275 1356 135-133	154-1512	87a-9 87a-9 83:-87a 831-87a 9-91a 84-9:2	8-21: 9-21: 3-51: 4-41: 4:5-8 5:5-5-8	876-874 872-874 872-874 876-874 876-974	145e-15 145e-15 15-154e 163e-165 ₁ 175 ₂ -177 ₄ 181e-181 ₂	17-19 1914-2014 1954-204 2016-2054 2056-2114 2076-2113	1319-15 1317-15 1313-1414 1313-1414 1313-1414 14-15	14 14-1434 14-1412 14-1414 14 16-1435 14 16-1435 14 16-1435	618-648 612-658 654-673 718-714 718-714	7 14-83; 8-91; 19 18-185; 13 12 137; 10 14-137; 10 18-181;

50R linked deposits; one month 10%:11 per cent; three months 11%:11% per cent; eix months 11%:12% per cent; one year 12%:12% per cent.

ECU linked deposits; one month 11%:11% per cent; three months 11%:12% per cent; eix months 12%:12% per cent; one year 12%:12% per cent.

Asian 3 (closing rates in Singapore); one month 11%:11% per cent; three o months 12%:12% per cont; eix months 13%:13% per cent; one year 13%:13% per cent; one years 14%:15% per cent; five years 14%:15% per c

MONEY MARKETS

UK rates continue to fall

MONEY RATES

NEW YORK	
Prime rate	15
fed lunds (lunch-jime)	10%-11
Treasury bills (13-week)	9.60
Treasury bills (26-week)	10.63

Dvernight rato One month 9.30 Six months

Intervention rate _ 14.625 One Month 14.8125 Three months 14.8125 5ix months 14.6125

a shortage of £500m with factors of London yesterday as the market looked for further cuts in clearing banks' base rates. There was no reduction in Bank of England dealing rates although it did not make any outright purchases, preferring to arrange further sale and repurchase agreements.

In the ioterbank market overnight loans opened et 11:12 per cent and rose slowly to 12:121; per cent before ollpping to 11:412 per cent before ollpping to 11:412 per cent safem on a series from three 10 12 months were a 14 of a point lower at 11:111 per cent while one week and one month money showed little change.

a shortage of £500m with factors affectior; lhe market including and a met lake up of Treasury bills in U.S. interest rates. With bulls, interest rates, with the market still loaking for lower rates after recent ment on Friday draining about practions in the bulls. In Factions of £500m. These were a ment on Friday draining about practically about the maturing io offictal hands and tresult. In Factions of £500m. The severem of price agreements (ecility in which case the rate will be watched closely to see if the authorities and repurchase agreements at 11:6-13! per cent, unwinding on the safternoon help was mede up of £500m. The afternoon help was mede up of further as all and repurchase agreements.

In Branking for toucidous after the maturing io fifted the maturing in the cent the most and unusualized closely to see if

UK clearing hank base lending The Bank of England forecast the authorities might reduce key rate 113 per cent (since July 30 a shortage of £500m with factors lending rates or monetary pali-or August 2 and 3) affection the market including cless at the next meeting of the

was increased speculation that Mooetary System.

Eurodollars

weaker Euro-dollar rates ware a littla easier yesterday with the market

EUROCURRENCIES

LONDON MONEY RATES

Aug. 3 1982	51atling Cartiticate of deposit	Intarbank	Local Authority deposits	Local Auth- nagotiable bonde		Company	Discount Market Oeposits	Treasury	Eligible Bank Bilts è	Fine Trade Bills 4
Overnight	117011 # 11 # 11 # 11 # 11 # 11 # 11 # 1	5-121 ₂ 11 ¹ 8-12 ¹ 4 11 ¹ 8-11 ¹ 4 11 ¹ 8-11 ¹ 8 11 ¹ 8-11 ¹ 8 11 ¹ 8-11 ¹ 8 11 ¹ 8-11 ¹ 8	11 îp. 1210 1134 115g. 1134 1134 1116 1116 1146	1238-12 1212-1154 1178-1118 1054-1019 118-1110	11 ³ 4 11 ⁵ 8 11 ¹ 9 11 ¹ 9 11 ¹ 9	122	9-1159 	114-115 116-114 106-106	11	117a 117è 117è 113è

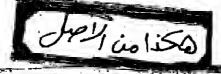
ECGO Fixed Rate Sterling Export Financa. Schema IV. Averaged Reference Rate for Interest period 19 July to 3 August 1982 (Inclusive): 12.143 per cent. Local authorities and finance housed oeven days' notice, others saven days fixed. Long-term local authority mortgage stes, naminally three years 12°, per cent; four years 12°, per cent; five years 12°, per cent; four years 12°, per cent; five years 12°, per cent; four months trade bills 10°s-10°s, per cent; lour months trade bills 11°s, per cent.

cent.

Approximate soling tate for one manth Treeeury bille 11½ per cent: two months 11 per cent and three months 10½10½ per cent.

Approximate soling tate for one manth Treeeury bille 11½ per cent: two months 11½ per cent into months 10½10½ per cent.

Approximate solling rate for one month bank bills 11½11½ per cent: two months 11½ per cent: three months 11½ per cent: two months 11½ per



FT UNIT TRUST INFORMATION SERVICE

	FT UNIT	TRUS	TINE	UKIVLA	TIUN	SER	
74	Abbey Unit Tst. Mngrs. (2) 1-3 St Pan's Churchyard EC4P 48X 01-23 High Income Gdis & Fired Int. 1885 114 21 +0.5 High Inc Egylty 192 424a +0.3	11.06 AU	THORIS	ED TRU	STS	Ridgeffeld Managemer J. Findsay Sq., EC2A 1PG Income UT	71.51-03 10 12 10.51-03 10 12 10.51-03 10 12
p.a. ds = 0.91 da = 3.93 2.54	Gels & Fired Inc	9.27	Tst. Mgrs. Ltd.	L & C Unit Trust M 4 The Stock Exchange, Londo	anagement Ltd.,	Rothschild Asset Mich St. Switzlid's Lane. London E NC American Proc. J Next Sub. Period Gamba NC Prop. 1276.5	egement
-2.70 -1.67 Is -5.54 2.81	Capital Fronth 58.1 62.5 +1.0 50.3 +0.3 10.3 +0.3 +0.3 +0.3 +0.3 +0.3 +0.3 +0.3 +	4.35 High Income		Legal & Seperal (Unit	Tst., Magrs.) Ltd.	Rothschild Asset Mana	gement (a) (a) (z)
-13.45 s -0.91 a -9.07 -3.58	Allen Harvey & Ross Unit Tst. Min. 45. Corollik Lenger EC3V 3PB. 01-623	430 Gilt Yrust Weekly des Prescont Unit Ys	t. Mogrs. Ltd. (a)(g)	Gilt, 1421		72-80, Saterbause Rd., Aylest N.C. Engy Res. 7st	
-3,58 s -5.31 -4.38 m 4.34 n 2.98	AHR GIR Trest 196.2 101.21 +0.49 Albed Hambro Ltd. (o) (g) Hambro Hee, Hetter, Recutwood, Essex Erentwood (0277) 211459 & 227123		36.0 38.7 +0.1 1.4 25.7 +0.3 2.6 4.4 4.4 50.2 +1.1 8.9 74.2 30.1 +0.6 5.0 5.7 62.6 +0.9 5.3 38.2 -0.2 0.3 38.2 -0.2 0.3 5.3	2, St. Mary Axe, EC3A 86P Leo Distribution [131.4 Leo Accum [156.6	150.4 (a) (b)	Rowan Unit Trest May	FC7 01.404 1064
7.30 7.30	Balanced Funds 1943 100.9 +10 Allied 1st 1943 100.9 +10 Brit. Inds. Fund 184.0 59.9 +1.2 Growth & Incame 184.0 66.80 +0.7	Dartington Unit	Trust Mingt. Ltd. Non TQ96JE. 0803-862271	Balanced	9-See. 0444 459144 89-11 +1-21 4.62 141 91-181 4.62	American July 29	1045 -65 179 2734 -65 179 2739 - 65 12609 - 65 1140 +05 127
	Hambro Acr. Fund 221.5 237.0 +3.0	Total Perf. Unit Tst.) Discretionary Unit 36/38 New Broad St. 1	20.7 23.31 -0.11 5.35	Energy Int. 34.9 Do. (Account.) 35.9 Extra Income 52.5 Do. 1Account. 94.2	680 +0.6 275 101.2 +0.9 8.78 112.5 +0.9 6.73	Royal Life Fil., Myrnt. New Hall Place, Liverson LG	Ltd. 93HS 051,2274422
0.91	Equity Income 488 57.24 +0.41 1197 110	0.16 Dumbar Lintt Tres 53, Pall Mail, London, 3 74 Income & Greett	t Managers Ltd. SW15JH. 01-9302122	Do. (Accum.) 175.7 int. Technology 78.0 Do. (Accum.) 78.0	1889 +16 6.73 83.8 +0.2 0.51 05.6 +0.2 0.51 48.04 +0.2 1.60 48.5 -0.2 0.9	Emely Trest	Mgrs Ltd szer 0206 44155
-3.06 m 3.47 -1.89 -a.so	Japan Fund 25.5 27.3 = -0.3 Pacific Fund 59.6 63.8 = -0.2 American Spec Sits 33.3 26.9 +0.1 Sets Of America 77.2 82.6 +0.7	168 E. F. Winchester 3.85 44. Bloomsbury Source	Fund Megt. Ltd. WC1A 2RA 01-623 8893	Small Cos. & Recy	675 +0.7 287	Capital Accum Trust161.0 Royal Tst., Cam., Fd. 186 18.60 Camara St. Landon FD	45.61
-12.60 -5.31 -8.23	Specialist Foreis Citt Growth Fd	379	Tr. M. (a) (b) (c)	Lloyd's Life Unit Tst.	Mingrs. Ltd. 01-6236114 S 317.9	aniust Fund	EC3P 3EP .
-0.42 -3.64	Overves Emains 86.7 92 8 100 Technology Fund 50.0 53.5 +0.4 Errengt Funds	american on, rogs or \$500 UK Gwith, Tst. Acc., if \$3 UK Gwith, Tst. Inc., if \$4 Higher Inc. Tst. Inc., if \$4 Higher Inc. Tst. Inc., if \$4 Pg Gritch and, Tst. Inc., if \$5 Pg Factor Inc.,	17 663 +06 050 02 647 +06 7.4 64 71 +08 7.4 68 635 +02 504 61 622 +02 504 62 401 189	Local Authorities' Mut	01-588 1515	8-73 Queen St., Ed-nburgh lealings to: 01-554-8899 or	ENZ 4NX - 031-226 7351 - 031-226 7351 - 031 287 - 031 287 - 031 287 - 031 1+04 256
m 3.50 n 0.32 nd	Far East Exempt	Fidelity Internation	nal Management Ltd.	M. & Group (y)(c)(z) Three Durys, Tower Hill, EC3	y as Local Addornos. U	paga 75.1 T U. 35.0 elect International 329.6 nov. Growth 16.5 screening Lacome Fatals. 191. Yield 59.2 matter Cos. Inc. FB. 65.9	15 10 15 15 15 15 15 15 15 15 15 15 15 15 15
s	62 Lendon Wall, EC2R 7DQ 01-6381 Anderson U.T	Amer. Spec. Sits. (2). 2 Gift & Fixed Int	don EC4N 7AL 283 9911 91 410 +0.5 0.24 4.0 26.1 +0.1 -0.5 5.8 26.64 11.04 31 35.8 +0.3 1.08 1.4 23.24 -0.1 -0.2 6.2 32.7 +0.2 9.46 4.0 0.20	Three Quays, Tower Hill, EGS American (Accum, Units)		lgis Lacouse Pands III S. Fxd Int. Inc	70.91 +0.41 6.39 54.81 +0.21 11.35 72.114 +0.21 9.13 40.41 +0.21 9.13
rrency Init4	inc. Morthly Ford [160.0 178.5] 11 Letts. Agent Fd. [55.5 58.5] 1 Anthony Wister Unit Tst. Mgmt. Ltd 19 Widestie St. Lordon El 1HP. 01.247.8	827 James Finlay Unit	Trest Magt. Ltd. Glassow. 041-2041321	Australia 1	63.7 +0.9 228 U 106.4	K. Fones It & Fxd. Im. Grb. 1610 K Equity	62 11 +0.31 4 19 74.04 +0.51 1-97 1194 -0.51 1-97
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BANK DISCLOSES \$140m LOANS TO TROUBLED GROUP

Harvester 'should be saved'

BY DAVID LASCELLES IN CHICAGO

INTERNATIONAL Harvester. the struggling U.S. farm and equipment group, should he saved from hankruptcy " if possible," says Mr Roger Anderson, chairman of Continental Illinois, which ls one of Harvester's higgest

Mr Anderson disclosed for the first time that the Chleago bank's lending to the com-pany amounted to \$140m (£79.6m). The Continental Illinois chairman declined to comment specifiaelly on Harvester's latest proposals to reschedule its \$4.2bn (£2.38hn) dehts. Nor would he discuss whether his hank was prepared to take up an equity

stake in the company as Harvester bad suggested. "Our view—and I think that of other banks—is that

Harvester should he kept out of Chapter 11 (of the Bankruptcy Code)," be told a Press conference.

Harvester has asked its banks, nearly 200, to restructure part of its \$4.2bn of loans and to transform at least \$400m of it into equity. Approval by all the banks is essential if Harvester is to avoid what could be one of the largest hankruptcies in U.S. bistory

The banks are considering the request and must make a Anderson said Harvester's creditors aimed " to maximise the long-term recovery of the credit extended to the com-

pany."
"We bave respect for the management of International Harvester and we will look at its proposals very carefully." he added.

Other banks bave been reluctant so far to comment on the proposal, and it is unclear to what extent Continental Illinois would or could use its position as a major lender to infinence other hanks into

toeing the line.
Continental Illinois bas just suffered a \$61m second

collapse of Penn Square Bank in Oklahoma. Mr Anderson said Continental hod made \$140m in direct loans to

Half of this had heen lent to the parent company and would have to he restructured if the plan went through. The rest is to Harvester's credit company and foreign sub-sidiaries. Continental has put the major portion of these toans into its "non-perform-ing category." which means those in arrears.

Mr Anderson said that two other banks-which he did not identify-had a comparable exposure to Harvester.

decision hefore October. Mr. £500m tranche of Treasury stock

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE BANK of England yester- downwards. day announced a £500m tranche of 12 per cent Treasury Slock 1987 at a price of £99.625 per

The stock is aimed partly at high taxpayers and is intended to mop up funds released by the redemption of an Exchequer stock in the autumn.

The new tranche is part of the cootinued funding operation in which the Bank has been taking advantage of the favourable market sentiment created by falling interest rates.

Although the Bank did not lower its dealing rates again yesterday, interest rates in the money markets continued to fail. Longer term interbank rates closed & lower at 11; to

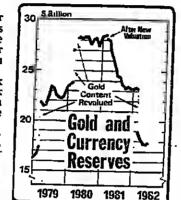
Sterling remained firm and

Yesterday's tranche of 12 per cent Treasury 1987 "A" is designed to offer an alternative to the 94 per cent Exchequer 1982, due for redemption on September 22. About £1.6bn of this stock

has been issued, and the Bank is anxious that its redemption should not result in a large bulge in the money stock.
The new stock will be available ex-dividend from Septem-her- which should make if attractive to those paying high

marginal tax rates.

The last issue of short-dated Government stock was £750m of 123 Treasury Convertible Stock 1986 on June 9. Supplies of this stock were exhausted on



(£10.31bn). \$17.94bn underlying rise is generally Sterling remained firm and there was every expectation that the Bank would continue its policy of easing interest rates Treasury figures yesterday taken as the nearest proxy for the Bank's intervention in the reserves rose by an underlying foreign exchange market. It policy of easing interest rates Si59m in July to a total of suggests a modest selling of

sterling at a time when the currency has been strong and there have been some calls for a modest depreciation.

However, it is clear that the authorities' strategy is to engineer a reduction of interest rates with the least possible disturbance to the effective rate of sterling. A moderate fall in the value of the ourrency might be countenanced, provided that it did not seem to be sliding out of control. Yesterday sterling's Bank of

England index against a trade-weighted basket of foreign currencies remained unchanged at 91.7 (1975=100). This was almost identical to its Index of six months ago and about 3 per cent below its average for 1981. Sterling closed in London 25

points lower against the dollar at \$1.7495 than on Monday's

'Regret' at British defiance on gas pipeline

BY OUR WORLD TRADE STAFF

THE REACAN Administration contracted to supply £134m-was disappointed yesterday by worth of goods for the pipeline Britain's decision to invoke the from complying with the U.S. Protection of Trading Interests
Act to circumvent the U.S. embargo on American technology the Trade Secretary, on Monfor the Siberian gas pipeline.
"We regret any action which

Polisb and Soviet authorities to relax significantly martial law in Poland," the State Depart-"We're examining the British

announcement and studying Its possible coosequences." month.

The British move prohibits four UK companies which are the companies affected by the sub-contractors. The deal is part

BR said: "The total net loss

from disputes in this year alone is therefore around £240m. It

board to increase its already substantial borrowing in order

to counter the financial effect

The effect is to push the pro-

jected BR group losses up from

the previous expectation of about £165m for 1982 to £240m-

£280m. BR will also exceed its external financing limit by at

least £70m-£110m. These figures

do not allow for any pay deal

The board's proposals on pas-

senger mileage cuts came as

part of a three-part productivity package in addition to out-

ments which took union leaders

Continued from Page 1

Along with the cuts, BR today.

of the disputes."

tbis year.

by surprise.

formal protest notes over the U.S. embargo. They will be delivered to Washington before regulations implementing the ban come into effect later this

If the unions agree to these

three measures and other pro-

ductivity changes BR is seeking,

the board is prepared to offer

a smaller pay increase than its

Mr Sid Weighell, NUR

general secretary, indicated he

would not be able to meet the

new productivity improvements.

Mr Ray Buckton, general sec-

retary of the Associated Society of Locomotive Engineers and

Firemen, called the measures a

original offer for this year.

BR warns Continued from Page 1

this year and that of the wants a review of depot work National Union of Railwaymen. allocation, which the unions be-

the industry £88m. The second and further administrative eco-and the NUR strike have led nomies in addition to the 3,000

to a net worsening of 1982 white-collar staff already set to trading which could approach go.

standing productivity improve- the RSNT, will lead the ques-

The first drivers' strike cost lieve could lead to job losses.

French Covernment's order to of a larger contract awarded to French companies to bonour their pipeline contracts has said It bas yet to receive instructions to do so. Dresser, France, a subsidiary

lay. of Dresser Industries of the U.S..
In Brussels yesterday diplosald: "We're waiting to be told mats said European Community what to do." The company has governments were drafting two a contract to deliver compressors and spare parts for the pipeline. The units are manufactured under licence from the parent company.

The contract is sald to he

after he met Mr Yitzbak Shamir,

tbe Israet! Foreign Minister, on Monday, when he warned, "the

world can no longer accept con-

stantly escalating violence" in

Lebanon in June, the U.S. repeatedly stated that the

biggest obstacle to Mr Habib's

mission was the refusal by Arab states to offer the PLO refuge.

In contrast to Mr Reagan's

conviction that an immediate

end to all hastilities was a pre-

requisite for a negotiated settlement, Mr Shamir repeated,

when addressing Congress in

Washington yesterday, that the PLO would only leave Beirut if

Soon after Israel invaded

Creusot-Loire.

The U.S. State Department yesterday repeated that Washington and the Nato allies were studying the steps to relax martial law in Poland, announced by the Warsaw authorities last month.

The pipeline embargo under attack by EEC governments was intended to create pressure for martial law restrictions to

be eased. EEC set to protest, Page 5

Continued from Page 1

Israeli officials tried yester-

day to put a brave face on what

the Jerusalem Post called a "slap" at Israel. They referred

to differences with the U.S. over "practical ways and means to achieve our goals."

In Cairo, a Foreign Ministry

remarks were reported by a Saudi magazine, said: "Whta

we are think about now is for

the Palestinians to have more

The official, whose

Minister in the Oval office.

How Cockfield moved against embargo, Page 5

SUNNY with showers. London, S.E. England and E

official was quoted as saying that Egypt had abandoned aspects of the Camp David peace accord with Israel, which dealt with Palestinian auto-Dry with occasional rain. Max 23C (73F). He indicated that a tougher position might be

Carron **Holdings** calls in receivers

By Chartes Batcheton

CARRON HOLDINGS, the Falkirk maker of baths, sinks and pillar boxes, called in the receivers yesterday in the face of mounting losses.

Carron's shares were suspended at 18p—helow the par value of 25p—putting a market valuation of only £3.02m on the company.

The company was founded in 1759, and supplied cannon to Wellington's armies at Waterloo and Nelson's fleet at Trafalgar. In more recent times it bas con-centrated on making pressed steel sinks, cast iron, steel and plastic baths, radiators, gas and cleetric cookers and Post Office pillar boxes.

The recession bad reduced markets in almost every sphere of Carroo's activities last year, it said in its latest annual report. Housing starts remained at a .low level, while last winter's severe weather brought building to a standstill.

In a statement released yes-terday Carron said the difficult trading conldtions of the paat 21 years had led to losses which had put a severe strain on the group's resources.

The sale of assets, much of it property not required for manufacturing activities, went much

more slowly than originally expected, it added,
During this difficult period the company received additional substantial support from its bankers, but the further funds which would now be required for the company to continue were not available, it said. Royal Bank of Scotland said total bank debt had risen to about £12.5m.

Royal Bank and County Bank appointed Mr Hamish Armour and Mr Frank Mycroft of accountants Deloitte Haskins and Sells as joint receivers of the holding company and its Scottish subsidiaries.

Mr Armour and Mr Robin
Stewart, of Deloitte's Manches-

ter office, have been named joint receivers of the English subsidiaries. The receivers yesterday said

they would be looking for buyers for all of Carron's divisions, though no approaches had yet heen received. Two years of serious losses in

1980-81 and an extremely difficult first balf in 1982 drained Carron's resources, receivers said. The latest published figures

from the company showed an increase in the attributable loss from £1.32m the previous year to £1.68m in 1981 on turnover 15 per cent lower at £31.71mL

Carron had net current assets of £4.12m at December 31 1981 after setting current liabilities of £13.5m against current assets of £17.62m. This compared with net current assets of £6.64m a year earlier.

Carron employs 800 employees in Scotland at its Falkirk and Glasgow factories

Weather

Anglia
Thundery showers with sun later. Max 27C (81F). Channel Is, N.W. Scotland. Wales and N. Ireland

Rest of England and Scotland Mist at first. Sunny periods and rain. Max 26C (79F). Outlook: Thunder.

"recipe for disaster."	the credibility of Iaraeli mili	guarantees (than those stipu-	WORLDWIDE '
Of the board's evidence, be said: "It was one of the most provocative statements I have ever heard from an industrial relations department." Lord McCarthy, chairman of the RSNT, will lead the questioning of all parties at a second day of the tribunal's hearing today.	tary pressure on West Beiru were maintained. Nonetheless, the Israel Government has evidently been surprised by the frosty reception accorded Mr Shamir it Washington. Mr Reagan gave Mr Shamir just 20 minutes of big time on Monday, in what must have been the shortes meeting with a senior Israel.	lated in the U.S. sponsored peace pact)." His remarks were supported in Paris by Mr Kamal Hassan Ali, the Egyptian Foreign Minister, who told a newspaper that the process of normalisation between Egypt and Israel thad been "99 per cent" frozen	Y'day midday "CC "F Ajaccio F 26 79 L. Ang.† C 20 66 Algiers S 29 84 Luxorbg F 25 77 Amadm. S 29 84 Luxor S 38 102 Athens a 28 82 Behrsan — Majorca F 28 82 Behrsan — Majorca F 28 82 Belrus C 29 88 Mismit C 27 81
U.S. optin	nistic over	steel row	Bingham
THE U.S. Government is "cantiously optimistic" that the damoging trade dispute over cheap EEC steel exports to the American market can soon be settled, U.S. officials said yesterday.	steel market from 6.4 per cent last year to 5.8 per cent —still slightly higher than the figure sought by the U.S. The contentious issue of how far European exports of steel	make its final determination of subsidies in seven countervalling duty cases. "We should see some action before then," the officials said. Our World Trade Staff adds:	Case Troa S 24 75 Nice 8 28 79 Cape T. — Nicosia 8 29 84 Chicg.† C 22 77 Oporto 8 23 73 Cologno S 28 82 Oelo 5 31 88 Cpnhign. S 24 75 Paris F 22 72 Corfu S 33 91 Perth — Osnwer† C 17 63 Pragua 8 27 81 Oublin C 24 75 Reykivk. C 14 57 Obrynk. S 28 82 Rhodes S 30 86
The Washington assessment came as an EEC delegation arrived for a further day-and-a-half of negotiations with Mr Malcolm Baldrige, the U.S. Commerce Secretary. The European Commission	pipes and tubes should be restricted was still under discussion. U.S. officials said. The American negotiators felt that further pressure might be placed on the Europeans by the fact that the Commerce Department must	EEC governments have been for weeks to agree on a joint response to put to the U.S. Washington turned down last month an EEC offer of a 5.9 per cent share of the U.S. market.	Edright S 21 70 Rio J'ot — — — — — — — — — — — — — — — — — — —
team is led by Viscount Elienne Davignon, the Industry commissioner, and Herr Wilbelm Haferkamp, vice-president for external relations. They brought new compromise proposals worked	rule next Monday on anti- dumping cases brought against European producers by the U.S. steel industry in January. But officials said Monday should not he regarded as a deadline for	U.S. representatives suggested 5.67 per cent for 11 major steel products, when they met EEC steel officials in Brussels last weekend. However, there is no sign that	Helainki F 26 79 Sydney — — H. Kong — Tangier — — Inspire — Inspire — — Inspire — Inspire — — Inspire
ont in Brussels in the last three days. The EEC is offering to reduce its sbare of the U.S.	Ogreement. The next real deadline was Angust 24, when the Commerce Benariment had to	European producers have agreed among themselves how the burden of any reductions should be divided.	Liabon S 26 79 Vienna F 24 75 Locarno R 16 61 Warsaw S 28 82 London S 25 77 Warsaw S 28 65 C—Cloudy, F—Fair, R—Rain, S—Sunny, R 1 Nonn GMT remeasurements.

THE LEX COLUMN

CBI pleads for a lower pound

The CBI's July industrial treods survey is a real bears' picnic. On the menu-strictly minceur-are destocking, lower orders, weakening of investment intentions and general evaporation of optimism. What is per-baps curious, particularly since the survey was put together when base ratea were a point higher than they are now is how little concern there scems to be about the level of interest

investment. West Midlands engineering businesses, which seem to have general liquidity problems, are to some extent an exception, hut then new investment is hardly their top priority anyway. In geoeral the complaiots are about the level of demaod and the problem of securing an adequate return - which is largely a function of demand.

At present the Covernment seems unwilling to supply this alleged deficiency of demand by increasing its own spending. Its clear intention is to stimulate demand by cutting interest rates which, in falling as so often in rising, are the principal tools of economic management. But it is not at all clear from the CBI survey that cheaper money alone will encourage manufacturing companies, at any rate, to run

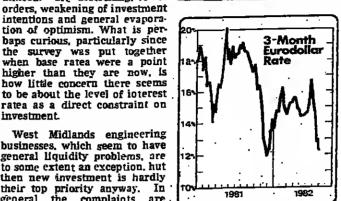
a larger financial deficit. Nor is there much evidence, outside the housing market, that consumer indebtedness is particularly sensitive to small changes in the level of interest rates.

The exchange rate, then, must be the trigger; what the CBI is really after is a competitive devaluation. Nearly 70 per cent of its respondents still believe their prices are too bigh relative to those of their over-seaa competitors. If the Government really be-

lieved that monetary policy was too tight, it could easily right matters by selling fewer gilts. The approaching redemption of the £1.6bn of Exchequer 91 per cent 1982 provides a splendid opportunity to do some negative funding, but yesterday saw the issue of £500m of new 1987 stock to mop up some of the maturing funds. All the same, even if the new tranche is entirely sold in the next couple of weeks, net funding in bank-ing August may be very small.

River Plate

The search for a device which might close the gulf between an Index rose 8.0 to 566.2



the scrip issue if warraots, carrying the right to subscribe in future years for new shares January, the scheme has since been tried on a larger scale by RIT and Northern: Its latest exponent is River Plate investment.trust. .

warrants a few years out. But today'a scrip is thereby trans-formed into a discounted rights issue. The market value of such warrants may, as now claimed by River Plate, fill some of the discount-gap. Nothing comes of nothing, however, and the market should be capable of preserving the existing discount on

Building sector

Barclay's purloining of that building society prerogative mortgage rationing — was enough to give a fillip to the sbare prices of leading bouse-builders yesterday. But the Barclays' move is less a reflection of rising consumer confidence than rising clearing bank concern about lower interest rates. As other indicators of building trends turn sour, this swallow is looking extremely Through the spring, construc-

tion was the one clear sector in the economy that could be beld up as giving evidence of a pick-up. The building material producers reported healthy £15m for Hadson's stake in the volume gains from February field. Even after adding on onward, and the statistics on private housing starts provided corroboration. But in June and investment trust's market and such sates and assets values is becoming ever assets values is becoming ever report, demand tailed off common exploration properties in Spain, more like alchemy. The latest philosopher's stone seems to be looks more a catch-up from the spring a natissance for a medley of unproven exploration properties in Spain, more like alchemy. The latest philosopher's stone seems to be

screre winter weather than anything clse.

Meanwhile it looks as if a good proportion of the recorded bousing starts reflects the lay-ing of foundations; builders are further until sales are achieved. There is no sign of a pick-up in demand from the local authorities; industrial property is already in surplus; and there are growing signs of institutional disenchantment with commercial property. The road building programme is a brighter spot; nevertheless overall construction volume is likely to be up the odd percent.

age point at best next year. Contractors and building material producers bave seen strong relative share performances in the first parts of both 1980 and 1981, based on expectations of cyclical recovery. Second half relapses have been moderated by surprisingly resient profit performances. This year the sectors are again near all-time highs but it may prove harder to keep profits moving ahead, particularly for con-A little inflation—and even tractors. Both sectors would be balf-way decent performance—extremely vulnerable to any should make it worth exercising hesitation in the downward course of interest rates.

Hadson Petroleum

When does the sum of the parts make nearly two wholes? In this case when an Oklahoma oil company comes to London to spin off its overseas inthe whole package by adjusting the share-price downwards. terests. Hadson Petroleum vestas day announced plans to list its day announced plans to list its foreign interests — which in-clude a small but juicy slice of Humbly Grove — on London's Unlisted Securities Market, At the issue price, the new com-pany would have a market capitalisation of £49.6m. Since Hadson Mère is itself capitalised at only about \$100m, the parent must be labouring with the birth pains.

So what do UK investors get of for the £49.8m? Certainly the percent stake in Humbly would not on its own in justify the price tag. Candeces Resources, with a 25 per cent holding in Humbly, is capitalized in the market at 555m of lised in the market at £55m, of which about £5m may be accounted for by other interests. This implies a value of around the £9.5m it is raising through the issue of new shares, inves-tors are left paying a handsome



expansion plans, we looked at many areas throughout the country. Our final decision to choose Denbigh resulted from the excellent help we received from Clwyd's Industrial Development Division and the other Industrial Development agencies."

"We found an ideal factory, with room for expansion. This, coupled with our ability to recruit skilled staff, and the various financial incentives that

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Industrial Relation's record are as important as the new motorway and dual carriageway link to the national motorway network—15m consumers are just 2 forry hours away.

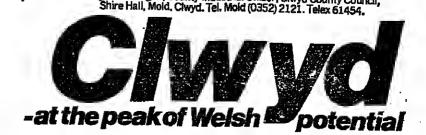
Above all, financial incentives equal to the highest available anywhere in mainland GB., are the key component in the Clwyd package. In helping you we promise positive attitudes, without red tape.

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Foreign earnings

Baltic Exchange up £104m at

£285m, pension funds up £20m at £107m and brokerage up £14m at £137m. The figures underline Lon-

don's continued strength as a banking and financial services centre, io spite of growing competition from abroad. The hanks' earnings reflect the rapidly increasing size of the Euromarkets, which has more than offset some loss of market share to foreign banks, and increased competition from New York.

Increased foreign earnings on institutions' portfolio invest-ments reflect the sharp rise in their overseas investments following the abolition of exchange controls in 1979. .

U.S. optimistic over steel row

Angust 24, when the Commerce Department bad to